



# CITY COUNCIL MEETING

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

MAYOR TONY HESCH • MAYOR PRO-TEM KIM DOUGLASS  
COUNCILMEMBERS • DONNA BARKLE • JASON MCKINNEY • TOM PARNHAM



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## REGULAR MEETING AGENDA

March 26, 2014 • Regular Session begins at 7:00 PM

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### 1) CONVENE OPEN SESSION

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- 1A. Pledge of Allegiance
- 1B. Roll Call
- 1C. Approval of Agenda Order

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

**RECOMMENDED ACTION:** By motion, accept the agenda as presented or amended.

### 2) PRESENTATIONS

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- 2A. Union Pacific Railroad Safety Presentation

- 2B. City of Colfax Audit Reports as of June 30, 2013, Ingrid Sheitline (Richardson and Co), Auditor

**RECOMMENDATION:** 1) Receive City of Colfax Audit Reports as of June 30, 2013 - Approve and file

### 3) CONSENT AGENDA

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**RECOMMENDED ACTION: Approve Consent Calendar**

All matters listed under the Consent Agenda are considered routine in nature and will be approved by one blanket motion with a roll call vote. There will be no separate discussion of these items unless persons request specific items to be removed from the Consent Agenda for discussion and separate action. Any items removed will be considered after the motion to approve the Consent Agenda. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the City staff.

- 3A. Minutes City Council Meeting of March 12, 2014

**Recommendation:** Approve the Minutes of the Regular Meeting of March 12, 2014.

### 4) COUNCIL, STAFF AND OTHER REPORTS

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The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of general information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

- 4A. Committee Reports and Informational Items - All Councilmembers
- 4B. Operations Update – City staff
- 4C. Additional Reports – Agency partners

### 5) PUBLIC COMMENT

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At this time, members of the audience are permitted to address the Council on matters of concern to the public that are not listed on this agenda. Please make your comments as brief as possible. Comments should not exceed three (3) minutes in length. The Council cannot act on items not included on this agenda; however, if action is required it will be referred to staff.

*Agenda continued on page 2*



*The City Council encourages the participation of the public. To ensure the expression of all points of view, and to maintain the efficient conduct of the City's business, members of the public who wish to address the Council shall do so in an orderly manner. The audience is asked to refrain from positive or negative actions such as yelling, clapping or jeering that may intimidate other members of the public from speaking. Members of the public wishing to speak may request recognition from the presiding officer by raising his or her hand, and stepping to the podium when requested to do so.*

## 6) PUBLIC HEARINGS

**NOTICE TO THE PUBLIC:** City Council will take the following actions when considering a matter scheduled for hearing:

1. Open the public hearing
2. Presentation by staff
3. Council comments and questions
4. Presentation, when applicable, by applicant or appellant
5. Accept public testimony
6. Council comments and questions
7. When applicable, applicant or appellant rebuttal period
8. Close public hearing. (No public comment is taken after the hearing is closed.)
9. City Council action

Public hearings that are continued will be announced. The continued public hearing will be listed on a subsequent Council Meeting Agenda and posting of that agenda will serve as notice.

**Abate Meeting as City Council and Convene as Planning Commission** - The council will convene as the Planning Commission for the purpose of considering and making a recommendation on Agenda Item 6A

- 6A. **Discuss and Consider Adopting Resolution No. 05-2014: A Resolution of the Planning Commission of the City of Colfax Approving Conditional Use Permit (#CUP-01-14 – Douglass/Conditional Use Permit) To Allow A Single-Family Residential Use in the Retail Commercial (CR) Zone**

**STAFF PRESENTATION:** Gabe Armstrong, Director of Community Services

**RECOMMENDED ACTION:** Adopt Planning Commission Resolution 05-2014

**Reconvene as City Council** - The council will re-convene as the City Council for the remainder of the meeting.

## 7) COUNCIL BUSINESS

- 7A. **Cash Summary Report - February 28, 2014**

**STAFF PRESENTATION:** Mark Miller, City Manager

**RECOMMENDATION:** Approve and File


- 7B. **Discuss and Consider Adopting Resolution No. 06-2014: A Resolution Authorizing a Contract with Placer County Transportation Planning Agency (PCTPA) for Grant Funding for Sidewalk Installation on East Oak Street**

**STAFF PRESENTATION:** Mark Miller, City Manager

**RECOMMENDATION:** Adopt Resolution No. 06-2014 Authorizing the City Manager to Execute a Contract with PCTPA for Grant Funding for Sidewalk Installation on East Oak Street

## 8) ADJOURNMENT

IN WITNESS THEREOF, I have hereunto set my hand and posted this agenda  
at Colfax City Hall and Colfax Post Office.

  
Mark Miller, City Manager

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.



Colfax City Council Meetings are ADA compliant. If you need special assistance to participate in this meeting, please contact the City Clerk at (530) 346-2313 at least 72 hours prior to make arrangements for ensuring your accessibility.

**March 26, 2014**

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ITEM 2B



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE MARCH 26, 2014 COUNCIL MEETING

**FROM:** Laurie Van Groningen, Finance Director  
**PREPARED BY:** Laurie Van Groningen, Finance Director  
**DATE:** March 19, 2014  
**SUBJECT:** City of Colfax Audit Reports as of June 30, 2013

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Approve and File City of Colfax Audit Reports as of June 30, 2013.

### **SUMMARY:**

Staff recommends that the Council accepts and files the City of Colfax Audit Reports of June 30, 2013.

### **FISCAL IMPACT:**

No fiscal impact

### **BACKGROUND AND ANALYSIS:**

The accounting firm of Richardson and Company performed the annual audit of the City's financial statements of governmental activities, business-type activities, each major fund and the aggregate remaining fund information for the fiscal year ended June 30, 2013. They have determined that the financial statements present fairly, in all material respects, the financial position of the City of Colfax. The statements are in conformity with generally accepted accounting principles.

### **CONCLUSION:**

The attached reports reflect the financial position of the City of Colfax at June 30, 2013.

### **ATTACHMENTS:**

- 1 - Audit Presentation Agenda
- 2 - Audited Financial Statements with Auditor's Opinion
- 3 - Compliance Reports (Single Audit)
- 4 - Required Communications Letter
- 5 - Internal Control Letter with Findings and recommendations
- 6 - Appropriation Limit Testing Report

# **Attachment 1**

## CITY OF COLFAX

## AUDIT PRESENTATION AGENDA

March 26, 2014

Presentation by Richardson & Company of the Audit, including the following communications required by Generally Accepted Auditing Standards:

## Reports issued

- Audited Financial Statements with auditors opinion
- Compliance Reports
- Required communications letter
- Internal control letter with findings and recommendations
- Appropriations limit testing report

## Independent Auditor's Report

- Amounts reported are the responsibility of management
- Auditor's responsibility
- Basic financials statements prepared on behalf of the City
- Unmodified (clean) opinion

## Reports on Internal Control and Compliance

- Required for Federal grants
- No internal control weaknesses
- City complied with applicable federal laws, regulations

## Required Communications letter

- New pronouncements (GASB 63 and 65, Deferred Inflows and Outflows)
- Significant adjusted audit differences
  - No misstatements noted requiring adjustments
- Unadjusted differences noted (immaterial)
  - Building permit revenue recorded on cash basis
  - Landfill liability not adjusted for inflation
- No difficulties in performing the audit and no unusual accounting practices

## Management letter

- No material weaknesses in internal control
- Good controls in place
- Other items noted
  - Ethics/whistleblower policy needed
  - Develop a risk assessment process
  - Recording value of donated land
  - Update to investment policy needed
  - New pronouncement requiring accrual of unfunded pension obligation

## **Attachment 2**

**CITY OF COLFAX, CALIFORNIA**

Audited Financial Statements and Supplemental Information

June 30, 2013



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## CITY OF COLFAX, CALIFORNIA

## Audited Financial Statements and Supplemental Information

June 30, 2013

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## Richardson & Company

550 Howe Avenue, Suite 210  
Sacramento, California 95825

Telephone: (916) 564-8727  
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### INDEPENDENT AUDITOR'S REPORT

To the City Council  
Colfax, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Colfax, California as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Colfax, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council  
City of Colfax, California

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Colfax's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Richardson & Company*

February 19, 2014

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Colfax (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage the readers to consider the information presented here in conjunction with the accompanying basic financial statements and the additional information [provided].

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities by \$16,704,249 (Net Position). These assets are allocated as follows:
  - Net Investment in capital assets - \$14,994,932.
  - Total capital outlay for the fiscal year was \$6,056,719. The majority of this outlay was for a Sewer Fund project including a new Pond Liner at the Waste Water Treatment plant, Inflow and Infiltration (I&I) mitigation, and a SCADA monitoring system upgrade. The project is being funded by Federal and State Grants and a loan from the State Water Board.
  - Restricted net position - \$991,283. This amount is for Special revenue funds, Capital project funds and Debt service funds. There were no significant changes in this category from the previous year.
  - Unrestricted net position - \$718,034. This is a significant increase as compared to negative (\$228,341) for the previous year.
    - The General Fund experienced increased sales tax revenues and a one-time fee collected for a new digital sign on City property. This caused the Governmental activities unrestricted net position to increase by \$206,987, but remains in a negative position of (\$33,246) at the end of the year.
    - In Proprietary Funds, an increase of \$739,388 is primarily due to increased sewer charges (annual increases) and decreased operating costs in the Sewer Fund. These funds are designated for future loan payments on the State Water Board loan. The loan restructured in Fiscal year ended June 30, 2012 waived payments for the 2013 fiscal year – payments will resume in fiscal year 2014.
- Total revenues from all sources was \$7,802,899 of which \$4,384,878 was from capital grants and contributions. Total operating expenditures from all sources were \$3,188,886.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Government-Wide Statement of Net Position on page 12 and the Government-Wide Statement of Activities on page 13 provide information about the activities as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements explain how programs and services were financed in the short term (the most recently completed fiscal year), as well as the amounts remaining available for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Fund financial statements also provide financial information about activities for which the City acts solely as a trustee or agent (fiduciary) for the benefit of individuals and entities external to this governmental unit.

### Reporting the City as a Whole

Our analysis of the City as a whole begins on page 12. One of the most important questions asked about the City's finances is, "*Is the City as a whole better off or worse off as a result of the year's activities?*" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector business entities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and related changes. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. To reach a conclusion on this issue, you may need to consider other matters of a non-financial nature, such as:

- the condition of the City's infrastructure (streets and roadways, storm drainage improvements, sewer system, city hall), or
- the economic vitality of the core business districts, or
- the adequacy of emergency response times of police and fire personnel,

in order to properly assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two (2) kinds of activities:

1. Governmental activities: most of the City's basic services are reported here, including the operations of the police, fire, building inspection, public works and general administration. Taxes (primarily property and sales), licenses, permits, state and federal grants, and franchise payments finance most of these activities.
2. Business-type activities: the City charges fees to customers to cover most of the cost of certain services and programs it provides. The City's wastewater treatment operations are reported here.

### Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 14. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law (Gas Tax and Law Enforcement Grants funds). However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two (2) kinds of funds – *governmental* and *proprietary* (business activities/enterprise funds) – use different accounting approaches:

- **Governmental funds:** Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end that may be available for future spending. These funds are reported using an accounting method described as *modified accrual* accounting. This accounting method (basis) measures the availability of cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations, and the basic services it provides to residents and visitors of the City. Governmental fund information helps you to determine what financial resources are available to be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and the governmental *funds*, in a reconciliation (see pages 15 and 17).
- **Proprietary funds:** When the City charges customers for the full cost for the services it provides, those services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (Sewer Operations) are the business-type activities that we report in the government-wide statements, but provide more detail and additional information, such as cash flows.



## THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Colfax, assets exceeded liabilities by \$16,704,249 at the close of the current fiscal year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, street, sewer and storm drain systems, buildings and park assets, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debts, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's combined net position for the years ending June 30, 2013 and 2012 are summarized (Table 1), as follows:

**Table 1**  
**City of Colfax, Net Position**  
**(in Thousands)**

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current and other assets	\$ 1,769	\$ 1,507	\$ 1,316	\$ 572	\$ 3,085	\$ 2,079
Capital assets	4,163	3,950	20,998	15,783	25,161	19,733
<b>Total Assets</b>	5,932	5,457	22,314	16,355	28,246	21,812
<b>Liabilities:</b>						
Long-term liabilities	1,096	1,255	9,956	8,152	11,052	9,407
Other liabilities	162	109	328	206	490	315
<b>Total Liabilities</b>	1,258	1,364	10,284	8,358	11,542	9,722
<b>Net Position:</b>						
Net Investment in capital assets	3,716	3,420	11,279	7,985	14,995	11,405
Restricted	991	913	-	-	991	913
Unrestricted	(33)	(240)	751	12	718	(228)
<b>Total Net Position</b>	<u>\$ 4,674</u>	<u>\$ 4,093</u>	<u>\$12,030</u>	<u>\$ 7,997</u>	<u>\$16,704</u>	<u>\$12,090</u>

The amount reported for net position of Governmental activities does not include the value of the City's infrastructure (roadways, bridges and storm drainage improvements) constructed prior to July 1, 2003.

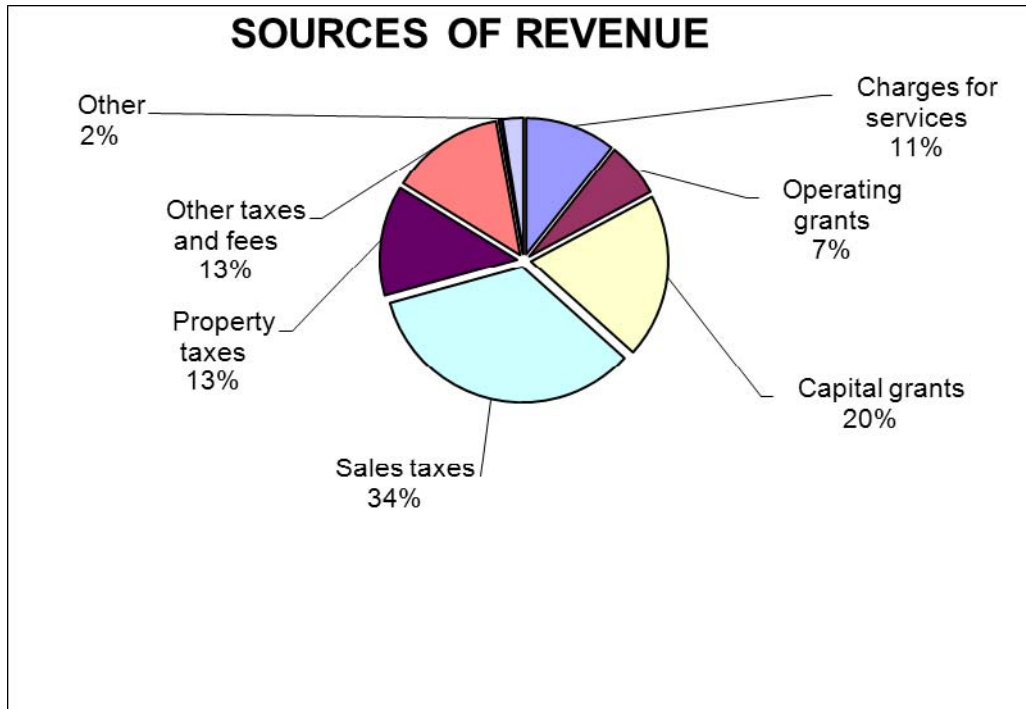
## Governmental Activities

The City's governmental activities net position increased by \$581,024 (before transfers). As noted in Table 2 below, the primary contributors are an increase in sales tax revenues, a one-time fee collected for a digital sign on City property (charges for services) and decreased operating expenditures.

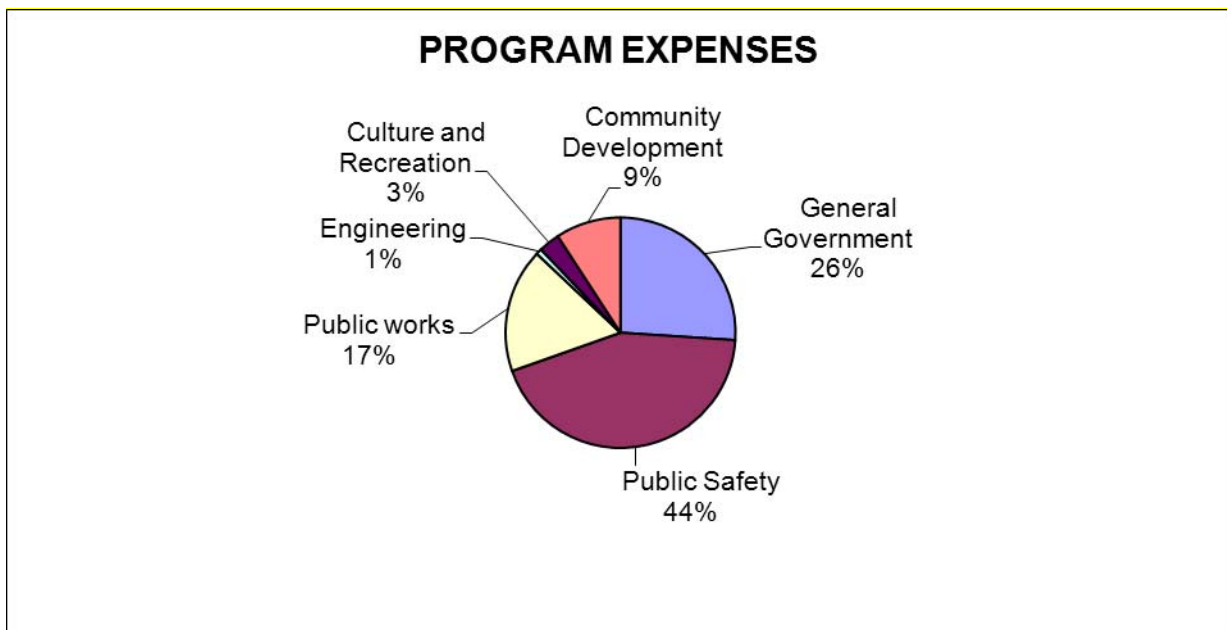
**Table 2**  
**City of Colfax, Change in Net Position**  
**(in Thousands)**

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 230	\$ 132	\$ 1,657	\$ 1,606	\$ 1,887	\$ 1,738
Operating grants and contributions	141	232	-	-	141	232
Capital grants and contributions	421	402	3,964	902	4,385	1,304
General revenues:						
Sales taxes	735	544			735	544
Property taxes	283	280	7	7	290	287
Other taxes and fees	289	317			289	317
Earnings on investments	8	9	15	6	23	15
Other	53	68			53	68
<b>Total revenues</b>	<b>2,160</b>	<b>1,984</b>	<b>5,643</b>	<b>2,521</b>	<b>7,803</b>	<b>4,505</b>
<b>Expenses:</b>						
General government	411	422			411	422
Public Safety	688	679			688	679
Public works	275	369			275	369
Engineering	13	27			13	27
Culture and recreation	47	30			47	30
Community development	145	96			145	96
Sewer	-	-	1,610	1,772	1,610	1,772
Garbage	-	-	-	-	-	-
<b>Total expenses</b>	<b>1,579</b>	<b>1,623</b>	<b>1,610</b>	<b>1,772</b>	<b>3,189</b>	<b>3,395</b>
Change in net position before transfers	581	361	4,033	749	4,614	1,110
Transfers	-	(1)	-	1	-	-
Change in net position	581	360	4,033	750	4,614	1,110
Net position, July 1	4,093	4,078	7,997	6,902	12,090	10,980
Transfer of solid waste net position	-	(345)	-	345	-	-
Net position, June 30	<u>\$ 4,674</u>	<u>\$ 4,093</u>	<u>\$ 12,030</u>	<u>\$ 7,997</u>	<u>\$ 16,704</u>	<u>\$ 12,090</u>

**Fiscal Year 2012-2013**  
**Governmental Activities – Sources of Revenue**  
(Graphic representation of Table 2 in percentages)



**Fiscal Year 2012-2013**  
**Governmental Activities – Program Expenses**  
(Graphic representation of Table 2 in percentages)



## Business-Type Activities

Business-type activities increased the City of Colfax's net assets by \$4,032,989. Detailed revenues and expenditures are reported in Table 2 on page 8. Some of the major contributors to this change are:

- The City was entitled to capital grants reimbursements for the Pond 3 Liner/I&I Mitigation/SCADA project. The total grants collected and accrued were \$3,964,080.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The capital assets of the City are those assets that are used in performance of City functions including infrastructure assets. Capital assets include police, fire and public works equipment, vehicles, buildings, roads, wastewater treatment facilities and sewer lines. At June 30, 2013, net capital assets of the governmental activities totaled \$4,163,142 and the net capital assets of the business-type activities totaled \$20,998,312. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See table 3 and Note D to the financial statements.)

**Table 3**  
**City of Colfax, Capital Assets**  
**(in Thousands)**

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 560	\$ 560	\$ 135	\$ 135	\$ 695	\$ 695
Construction in progress	46	20	6,401	758	6,447	778
Building and Improvements	4,291	3,939	17,879	17,879	22,170	21,818
Vehicles	444	444	3	3	447	447
Furnitures and Fixtures	7	7	-	-	7	7
Machinery and equipment	471	471	467	432	938	903
Accumulated depreciation	(1,656)	(1,491)	(3,887)	(3,424)	(5,543)	(4,915)
<b>Total Assets</b>	<b>\$ 4,163</b>	<b>\$ 3,950</b>	<b>\$ 20,998</b>	<b>\$ 15,783</b>	<b>\$ 25,161</b>	<b>\$ 19,733</b>

Major capital asset improvements and additions during the current fiscal year included the following:

- Completion of an improvements project for the City ball field and the addition of a Splash Park facility in Governmental assets.

- Construction costs for the Sewer project started last year – Pond 3 Liner installation, I&I system improvements and SCADA program upgrades. Costs capitalized for fiscal year 2013 total \$5,643,803. This entire project completes in the first half of fiscal year 2014.

### Long-Term Debt

At year-end, the City of Colfax had total long-term debts outstanding of \$11,053,162, as compared to a total of \$9,407,048 last year (See Table 4 and Note E to the financial statements).

**Table 4**  
**City of Colfax, Outstanding Debt**  
**(in Thousands)**

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Note Payable	\$ 448	\$ 530	\$ -	\$ -	\$ 448	\$ 530
Compensated absences	18	22	10	13	28	35
Landfill Closure	556	578	-	-	556	578
General obligation bond	-	-	31	36	31	36
County Loan	-	-	1,000	-	1,000	-
State Loans	-	-	8,688	7,761	8,688	7,761
Legal Settlements	75	125	227	342	302	467
<b>Total Long-term Debt</b>	<b>\$ 1,097</b>	<b>\$ 1,255</b>	<b>\$ 9,956</b>	<b>\$ 8,152</b>	<b>\$ 11,053</b>	<b>\$ 9,407</b>

The City's long-term debt includes: compensated absences due employees for accrued vacation and sick leave pay, Post Closure expenses related to the City's closed landfill site, notes payable for the construction of the sewer plant and improvements projects, and notes payable for the purchase of property and legal settlements. Additionally, the City issued general obligation bonds to finance the sewer facility back in 1978.

The increase over last year is due to the State Loan funds for the Sewer project and a loan from Placer County for working capital during the Sewer project due to the reimbursement process of the project grants. Additional information on City debt is included in Note E of the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In considering the City Budget for fiscal year 2013-2014, the City Council and management were cautious as to the growth of revenues and expenditures due to the lingering effects of the economic downturn in recent years.

Operating revenues and expenses are projected to remain fairly level with fiscal year 2012-2013. The City will continue to provide existing services at the reduced staff levels achieved over the past several years.

Capital projects expected for fiscal year 2013-2014 include:

- Completion of Sewer project – Pond Liner installation, I&I system improvements and SCADA system upgrade.
- Road Rehabilitation improvements and the initial phase of the Railroad pedestrian crossing project.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Colfax, 33 S. Main Street, Colfax, California 95713.

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**BASIC FINANCIAL STATEMENTS**



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## CITY OF COLFAX

## GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,161,587	\$ 984,870	\$ 2,146,457
Accounts receivable, net of allowance for doubtful accounts	34,499	270,190	304,689
Due from other government agencies	517,318	58,727	576,045
Interest receivable	808	1,346	2,154
Notes receivable	53,351		53,351
Prepaid expenses	1,095	864	1,959
Total current assets	<u>1,768,658</u>	<u>1,315,997</u>	<u>3,084,655</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation			
Non-depreciable	605,697	6,535,765	7,141,462
Depreciable	<u>3,557,445</u>	<u>14,462,547</u>	<u>18,019,992</u>
	<u>4,163,142</u>	<u>20,998,312</u>	<u>25,161,454</u>
Total assets	<u>5,931,800</u>	<u>22,314,309</u>	<u>28,246,109</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	130,881	66,371	197,252
Retention payable		107,183	107,183
Accrued expenses	14,702	153,745	168,447
Unearned revenue	15,816		15,816
Current portion of long-term liabilities	<u>84,059</u>	<u>1,237,222</u>	<u>1,321,281</u>
Total current liabilities	<u>245,458</u>	<u>1,564,521</u>	<u>1,809,979</u>
Long-term liabilities:			
Postclosure landfill costs	556,104		556,104
Bonds payable		26,000	26,000
Notes payable	447,343	8,688,179	9,135,522
Compensated absences	<u>9,059</u>	<u>5,196</u>	<u>14,255</u>
Total long-term liabilities	<u>1,012,506</u>	<u>8,719,375</u>	<u>9,731,881</u>
Total liabilities	<u>1,257,964</u>	<u>10,283,896</u>	<u>11,541,860</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,715,799	11,279,133	14,994,932
Restricted net position	991,283		991,283
Unrestricted net position	<u>(33,246)</u>	<u>751,280</u>	<u>718,034</u>
Total net position	<u>\$ 4,673,836</u>	<u>\$ 12,030,413</u>	<u>\$ 16,704,249</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

## GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2013

	Expenses	Program Revenues			Governmental Activities	Business-type Activities	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions			
Governmental Activities							
General government	\$ 410,662	\$ 201,764			\$ (208,898)		\$ (208,898)
Public safety	687,954	25,930	\$ 119,737		(542,287)		(542,287)
Public works	275,220			\$ 99,013	(176,207)		(176,207)
Community development	145,374		21,436	321,785	197,847		197,847
Engineering services	13,248				(13,248)		(13,248)
Culture and recreation	46,767	2,397			(44,370)		(44,370)
Total governmental activities	<u>1,579,225</u>	<u>230,091</u>	<u>141,173</u>	<u>420,798</u>	<u>(787,163)</u>		<u>(787,163)</u>
Business-type activities:							
Sewer	1,497,934	1,657,259		3,964,080		\$ 4,123,405	4,123,405
Interest on long-term debt	111,727					(111,727)	(111,727)
Total business-type activities	<u>1,609,661</u>	<u>1,657,259</u>		<u>3,964,080</u>		<u>4,011,678</u>	<u>4,011,678</u>
Total government	<u>\$3,188,886</u>	<u>\$1,887,350</u>	<u>\$ 141,173</u>	<u>\$ 4,384,878</u>	<u>(787,163)</u>	<u>4,011,678</u>	<u>3,224,515</u>
General revenues							
Taxes:							
Sales and use taxes					734,999		734,999
Property taxes					282,670	6,611	289,281
Transient occupancy tax					20,678		20,678
Franchises					101,890		101,890
Gas taxes					51,283		51,283
Transportation impact fees					2,197		2,197
Motor vehicle in-lieu					114,113		114,113
Investment income					7,541	14,700	22,241
Rental income					46,675		46,675
Miscellaneous					6,141		6,141
Total general revenues					<u>1,368,187</u>	<u>21,311</u>	<u>1,389,498</u>
Changes in net position					<u>581,024</u>	<u>4,032,989</u>	<u>4,614,013</u>
Net position, beginning of year					<u>4,092,812</u>	<u>7,997,424</u>	<u>12,090,236</u>
Net position, end of year					<u>\$ 4,673,836</u>	<u>\$ 12,030,413</u>	<u>\$16,704,249</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2013

	Major Funds			
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 661,882		\$ 499,705	\$ 1,161,587
Accounts receivable, net of allowance for doubtful accounts	34,499			34,499
Due from other governmental agencies	144,035	\$ 327,936	45,347	517,318
Interest receivable	312	144	352	808
Notes receivable			53,351	53,351
Prepaid expenses			1,095	1,095
Due from other funds	104,483			104,483
<b>TOTAL ASSETS</b>	<b>\$ 945,211</b>	<b>\$ 328,080</b>	<b>\$ 599,850</b>	<b>\$ 1,873,141</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 95,166	\$ 19,517	\$ 16,198	\$ 130,881
Accrued expenses	5,728	5,893	3,081	14,702
Unearned revenue	15,816			15,816
Due to other funds		72,768	31,715	104,483
<b>Total liabilities</b>	<b>116,710</b>	<b>98,178</b>	<b>50,994</b>	<b>265,882</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue		220,000		220,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>220,000</b>		<b>220,000</b>
<b>Fund balances:</b>				
Nonspendable			54,446	54,446
Committed	131,812			131,812
Restricted	768,629	9,902	494,410	1,272,941
Unassigned	(71,940)			(71,940)
<b>TOTAL FUND BALANCES</b>	<b>828,501</b>	<b>9,902</b>	<b>548,856</b>	<b>1,387,259</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 945,211</b>	<b>\$ 328,080</b>	<b>\$ 599,850</b>	<b>\$ 1,873,141</b>

The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2013

Total Governmental Fund Balances	\$ 1,387,259
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	4,163,142
Certain receivables are not available to pay current period expenditures and therefore are deferred in the governmental funds	220,000
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	<u>(1,096,565)</u>
Net Position of Governmental Activities	<u><u>\$ 4,673,836</u></u>

The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

	Major Funds			
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 1,147,598		\$ 51,283	\$ 1,198,881
Licenses, fees and permits	133,009		2,989	135,998
Intergovernmental revenues	160,780	\$ 109,721	212,513	483,014
Charges for services	139,732			139,732
Fines, forfeitures and penalties	7,552			7,552
Use of money and property	50,604	582	3,053	54,239
Other revenue	326	5,000		5,326
Total revenues	<u>1,639,601</u>	<u>115,303</u>	<u>269,838</u>	<u>2,024,742</u>
EXPENDITURES:				
General government	471,301			471,301
Public safety	541,494		106,408	647,902
Public works	92,295		152,807	245,102
Community development		4,498	70,686	75,184
Engineering services	13,248			13,248
Cultural and recreation	37,605			37,605
Debt Service:				
Principal	83,055			83,055
Capital outlay		363,457	14,434	377,891
Total expenditures	<u>1,238,998</u>	<u>367,955</u>	<u>344,335</u>	<u>1,951,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>400,603</u>	<u>(252,652)</u>	<u>(74,497)</u>	<u>73,454</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		17,811	107,007	124,818
Transfers out	(12,352)		(112,466)	(124,818)
Total other financing sources (uses)	<u>(12,352)</u>	<u>17,811</u>	<u>(5,459)</u>	
Excess (deficiency) of revenues and other sources over expenditures and other uses	388,251	(234,841)	(79,956)	73,454
Fund balance - beginning of year	<u>440,250</u>	<u>244,743</u>	<u>628,812</u>	<u>1,313,805</u>
Fund balance - end of year	<u>\$ 828,501</u>	<u>\$ 9,902</u>	<u>\$ 548,856</u>	<u>\$ 1,387,259</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 73,454

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.

Capital outlay	377,891
Depreciation expense	(164,874)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-wide Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the amount by which repayments exceed proceeds.

Gard Family Living Trust note payments	83,055
Postclosure landfill costs	22,244
Settlement payments	50,000

Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities.

Deferred revenue recognized	220,000
Deferred revenue recognized last year	(84,493)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not expenditures in the governmental funds.

Change in compensated absences	3,747
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Change in Net Position of Governmental Activities	\$ 581,024
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The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 946,000	\$ 946,000	\$ 1,147,598	\$ 201,598
Licenses, fees and permits	38,250	38,250	133,009	94,759
Intergovernmental	150,000	150,000	160,780	10,780
Charges for services	137,600	137,600	139,732	2,132
Fines and forfeitures	10,000	10,000	7,552	(2,448)
Use of money and property	44,975	44,975	50,604	5,629
Other revenue	5,000	5,000	326	(4,674)
Total revenues	1,331,825	1,331,825	1,639,601	307,776
Expenditures:				
Current:				
General government and administration	370,522	383,833	471,301	(87,468)
Public safety	558,063	558,063	541,494	16,569
Public works	90,589	90,589	92,295	(1,706)
Engineering services	15,000	33,000	13,248	19,752
Culture and recreation	36,935	36,935	37,605	(670)
Debt Service:				
Principal	20,000	20,000	83,055	(63,055)
Capital outlay	10,000	10,000		10,000
Total expenditures	1,101,109	1,132,420	1,238,998	(106,578)
Excess (deficiency) of revenues over expenditures	230,716	199,405	400,603	201,198
Other financing sources (uses):				
Transfers in				
Transfers out			(12,352)	(12,352)
Total other financing uses			(12,352)	(12,352)
Excess (deficiency) of revenues and other sources over expenditures and other uses	230,716	199,405	388,251	188,846
Fund balances - beginning of year	440,250	440,250	440,250	
Fund balances - end of year	\$ 670,966	\$ 639,655	\$ 828,501	\$ 188,846

The accompanying notes are an integral part of these financial statements.



## CITY OF COLFAX

STATEMENT OF NET POSITION  
PROPRIETARY FUND - SEWER FUND

June 30, 2013

## ASSETS:

## Current Assets:

Cash and cash equivalents	\$ 984,870
Accounts receivable, net of allowance for doubtful accounts of \$19,131	270,190
Due from other governmental agencies	58,727
Interest receivable	1,346
Prepaid expenses	864
Total current assets	<u>1,315,997</u>

## Noncurrent Assets:

## Capital assets:

Nondepreciable	6,535,765
Depreciable	<u>14,462,547</u>
Total capital assets, net of accumulated depreciation	<u>20,998,312</u>

Total assets	<u>22,314,309</u>
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## LIABILITIES:

## Current Liabilities:

Accounts payable	66,371
Retention payable	107,183
Accrued expenses	153,745
Current portion of long-term liabilities	<u>1,237,222</u>
Total current liabilities	<u>1,564,521</u>

## Long-term Liabilities:

Bonds payable, long-term portion	26,000
Notes payable, long-term portion	8,688,179
Compensated absences	<u>5,196</u>
Total long-term liabilities	<u>8,719,375</u>
Total liabilities	<u>10,283,896</u>

## NET POSITION:

Invested in capital assets, net of related debt	11,279,133
Unrestricted	<u>751,280</u>
Total net position	<u>\$ 12,030,413</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND - SEWER FUND

For the Year Ended June 30, 2013

Operating revenues:	
Service charges	\$ 1,594,641
Miscellaneous	62,618
Total operating revenues	<u>1,657,259</u>
Operating expenses:	
Personnel services	385,105
Operation and maintenance	649,781
Depreciation	463,048
Total operating expenses	<u>1,497,934</u>
Income from operations	<u>159,325</u>
Non-operating revenues (expenses):	
Interest income	14,700
Tax assessment	6,611
Interest expense	(111,727)
Total nonoperating revenues	<u>(90,416)</u>
Capital contributions:	
State grant revenue	<u>3,964,080</u>
Change in net position	4,032,989
Net position, beginning of year	<u>7,997,424</u>
Net position, end of year	<u><u>\$ 12,030,413</u></u>

The accompanying notes are an integral part of these financial statements.

## CITY OF COLFAX

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - SEWER FUND

For the Year Ended June 30, 2013

Cash Flows from Operating Activities:	
Cash received from customers	\$ 1,571,485
Cash paid to suppliers	(721,826)
Cash paid to employees and related benefits	(389,435)
Cash provided by operating activities	<u>460,224</u>
Cash Flows from Noncapital Financing Activities:	
Tax assessments received	<u>6,611</u>
Cash provided by noncapital financing activities	<u>6,611</u>
Cash Flows from Capital and Related Financing Activities	
Capital expenditures	(5,571,645)
Debt proceeds received	3,927,179
Debt principal paid	(2,005,000)
Intergovernmental revenues received	4,272,199
Settlements paid	(114,607)
Interest paid	(23,451)
Cash used for capital and related financing activities	<u>484,675</u>
Cash Flows from Investing Activities	
Interest received	<u>13,315</u>
Decrease in cash and cash equivalents	964,825
Cash and cash equivalents, beginning of year	<u>20,045</u>
Cash and cash equivalents, end of year	<u><u>\$ 984,870</u></u>
Reconciliation of operating income from operations to cash provided by operating activities:	
Operating loss	\$ 159,325
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation	463,048
(Increase) decrease in assets:	
Accounts receivable	(85,774)
(Decrease) increase in liabilities:	
Accounts payable	(72,045)
Accrued expenses	(1,918)
Accrued compensated absences	(2,412)
Cash provided by operating activities	<u><u>\$ 460,224</u></u>

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Colfax was incorporated in 1910, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sewer, culture-recreation, public improvements, planning and zoning, and general administrative services. The voters of the City of Colfax, California, give authority and responsibility for operations to the City Council. The City Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the City's management is the financial budget, which is adopted annually by the City Council.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements. In addition the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity: The City operates as a self-governing local government unit within the state of California. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a city council that passes laws and determines broad policies. The council also oversees the operations of the City and approves all budgets, fund transfers and fund balance reserves. The City's main funding sources include property taxes, sales taxes, other inter-governmental revenue from state and federal sources, user fees, and federal and state financial assistance.

Government-wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services and privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounts of the City are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the last is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements and fiduciary fund statements, with the exception of agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property taxes. Property taxes are considered to be available if they are collected within 60 days of the current fiscal period. Amounts received after the availability period are reported as unavailable revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Major revenues that are determined to be susceptible to accrual include property taxes and assessments, sales taxes, franchise taxes, charges for services, intergovernmental revenues, and earnings on investments. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues (government mandated nonexchange transactions) are recognized when the City has satisfied all applicable eligibility requirements and if the amounts are measurable. If the grant funds are received before the revenue recognition criteria are satisfied, the unearned amounts are reported as unearned revenue.

The City reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

The City reports the following major enterprise fund:

Sewer Fund – The Sewer Fund is used to account for the operations of the City's sewer services.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the City reports the following fund types:

*GOVERNMENTAL FUNDS*

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (not including private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

*PROPRIETARY FUNDS*

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers or other funds for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the City's investment in California Local Agency Investment Fund (LAIF). Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost.

Receivables and Payables: Sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 90 days of year end. Property taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year-end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and collectible. Unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Eliminations have not been made between or within the fund types.

An allowance for doubtful accounts of \$869 and \$19,131 has been provided for General and Sewer Funds, respectively, for accounts that are deemed uncollectible.

Property Taxes: The County of Placer (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year end. Secured property taxes are levied on or before January 1 of each year. They become a lien on real property on January 1. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs and interest when paid. These taxes are secured by liens on the property being taxed.

The term “unsecured” refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

These taxes are accrued as intergovernmental receivables only if they are received from the County within 60 days after year end for the governmental funds and are accrued when earned for government-wide presentation regardless of the timing of the related cash flows.

Capital Assets: Capital assets for governmental fund types of the City are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditure in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at their estimated fair market value on the date donated.

Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, but including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been capitalized prospectively beginning July 1, 2003.



## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the current year's additions to governmental or business-type capital assets. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Sewer facility improvements and design costs	20 to 40 years
Safety equipment	5 to 10 years
Vehicles and heavy equipment	5 to 15 years
Furniture and other equipment	5 to 7 years

It is the policy of the City to capitalize all land, building, improvements, equipment, and eventually infrastructure assets, except assets costing less than \$5,000. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Costs of assets sold or retired and the resulting gain or loss is included in the operating statement of the related proprietary fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

Compensated Absences: It is the City's policy to permit employees to accumulate earned but unused vacation. Vacation credits must be used during the next succeeding year. Vacation is accrued when incurred in the government-wide presentation and in the proprietary funds and reported as a fund liability. Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable, are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in the governmental fund financial statements for these amounts.

Unused vacation is paid to employees upon termination after one year of service. The maximum accrual for all employees for vacation is one times the employees' annual vacation leave credits. There is no limit as to the accrual of sick leave. Sick leave is not payable upon termination, but may be converted to service credits under the City's defined benefit pension plan.

Long-term Obligations: Long-term debt of governmental funds are reported at face value in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide financial statements and represent a reconciling item between the fund and government-wide presentation. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, proceeds from borrowing are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise pre-paid items and long-term receivables.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. These amounts cannot be used for any other purpose unless the government's City Council modifies, or removes the fund balance commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the City's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City not restricted for any project or other purpose.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The City's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information: The City Council annually adopts the budget resolution for all operating funds of the City. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Administrator. The Administrator prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial. The budgetary data is prepared on the modified accrual basis consistent with the related "actual" amounts. The City does not use encumbrance accounting.

Excess Expenditures Over Appropriations: The following funds had excess expenditures over appropriations:

Fund	Appropriations	Total Expenditures	Excess Expenditures
General Fund	\$ 1,132,420	\$ 1,238,998	\$ 106,578
Nonmajor Governmental Funds:			
Supplemental Law Enforcement Fund	100,025	106,408	6,383
CDBG Fund	53,600	66,116	12,516
Transportation Fund	91,351	132,825	41,474
Mitigation Fund		14,434	14,434

Deficit Fund Equity: The City has no funds with fund deficits at June 30, 2013.

New Pronouncements: Effective July 1, 2012, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement amends the net assets reporting requirements of Statement No. 34 by incorporating deferred inflows and outflows into the definitions of the required components of residual measure and by renaming that measure as net position, rather than net assets. The City also reports revenues not meeting the availability criteria as deferred inflows.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement will require the City to record a liability and expense equal to their proportionate share of the collective net pension liability and

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

expense for the PERS plan. This Statement requires the use of the entry age normal method to be used with each period's service cost determined as a level percentage of pay and requires certain other changes to compute the pension liability and expense. This Statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers. The provisions of this Statement are effective for the City's June 30, 2015 financial statements. The City is currently evaluating the effect of this new pronouncement.

## NOTE B – CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds. Cash represents cash on hand, demand deposits in the bank and amounts invested in the State of California Local Agency Investment Fund (LAIF). Cash and investments at June 30, 2013 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 1,161,587	\$ 984,870	\$ 2,146,457

As of June 30, 2013, the City's cash and investments consisted of the following:

Cash on hand	\$ 300
Deposits in financial institutions	128,787
Investments	
California Local Agency Investment Fund	<u>2,017,370</u>
Total cash and investments	<u><u>\$ 2,146,457</u></u>

Investment policy: California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE B – CASH AND INVESTMENTS (Continued)

	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Local agency bonds	None	None	10%
Mortgage-back securities	None	20%	None
Bankers acceptances	180 days	40%	30%
High grade commercial paper	270 days	40%	10%
Negotiable certificates of deposit	None	None	None
LAIF	N/A	None	None
Medium term corporate notes	5 years	30%	5%
Repurchase Agreements	365 days	20%	None
Money market fund	None	None	None

The City complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment in LAIF has an average maturity of 278 days.

**Credit Risk:** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's only investment is in LAIF, which is not rated.

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Governmental Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2013, the carrying amount of the City's deposits was \$128,787 and the balance in financial institutions was \$297,249. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance, \$47,249 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE B – CASH AND INVESTMENTS (Continued)

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$58,828,474,533 managed by the State Treasurer. Of that amount, 1.96% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

## NOTE C – INTERFUND TRANSACTIONS

Transfers during the year ended June 30, 2013 were as follows:

Transfers out	Transfers in				Total
	Capital Projects Fund	Supplemental Law Enforcement	CDBG	Nonmajor Governmental Transportation and Road Fund	
General Fund	\$ 5,945	\$ 6,407			\$ 12,352
Nonmajor Governmental Funds:					
Gas Tax				\$ 33,094	33,094
Mitigation Funds	11,866		\$ 67,506		79,372
	<u>\$ 17,811</u>	<u>\$ 6,407</u>	<u>\$ 67,506</u>	<u>\$ 33,094</u>	<u>\$ 124,818</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE D – CAPITAL ASSETS

Governmental capital assets activity for the year ended June 30, 2013 was as follows:

	Balance at June 30, 2012	Additions	Retirements	Transfers	Balance at June 30, 2013
Capital assets, not being depreciated:					
Land	\$ 559,960				\$ 559,960
Construction in progress	20,067	\$ 25,670			45,737
Total capital assets, not being depreciated	580,027	25,670	-	-	605,697
Capital assets, being depreciated:					
Buildings and improvements	3,938,528	352,221			4,290,749
Vehicles	444,259				444,259
Machinery and equipment	471,398				471,398
Furniture and fixtures	6,764				6,764
Total capital assets, being depreciated	4,860,949	352,221	-	-	5,213,170
Less accumulated depreciation for:					
Buildings and improvements	(708,520)	(114,194)			(822,714)
Vehicles	(356,367)	(29,174)			(385,541)
Machinery and equipment	(419,672)	(21,144)			(440,816)
Furniture and fixtures	(6,292)	(362)			(6,654)
Total accumulated depreciation	(1,490,851)	(164,874)	-	-	(1,655,725)
Capital assets being depreciated, net	3,370,098	187,347	-	-	3,557,445
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 3,950,125	\$ 213,017	\$ -	\$ -	\$ 4,163,142

Depreciation expense for governmental capital assets was charged to functions as follows:

General governmental	\$ 15,352
Public safety	40,052
Public works	30,118
Culture and recreation	9,162
Community development	70,190
Total governmental activities depreciation expense	<u>\$ 164,874</u>

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE D – CAPITAL ASSETS (Continued)

Business-type capital assets activities for the year ended June 30, 2013 was as follows:

	Balance at June 30, 2012	Additions	Retirements	Transfers	Balance at June 30, 2013
Capital assets, not being depreciated:					
Land	\$ 134,700				\$ 134,700
Construction in progress	757,262	\$ 5,643,803			6,401,065
Total capital assets, not being depreciated	891,962	5,643,803	-	-	6,535,765
Capital assets, being depreciated:					
Buildings and improvements	17,879,419				17,879,419
Vehicles	3,400				3,400
Machinery and equipment	431,728	35,025			466,753
Total capital assets, being depreciated	18,314,547	35,025	-	-	18,349,572
Less accumulated depreciation for:					
Buildings and improvements	(3,159,063)	(426,875)			(3,585,938)
Vehicles	(3,070)	(330)			(3,400)
Machinery and equipment	(261,844)	(35,843)			(297,687)
Total accumulated depreciation	(3,423,977)	(463,048)	-	-	(3,887,025)
Capital assets being depreciated, net	14,890,570	(428,023)	-	-	14,462,547
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET	\$ 15,782,532	\$ 5,215,780	\$ -	\$ -	\$ 20,998,312

Depreciation expense for business-type capital assets was charged to functions as follows:

Sewer	\$ 463,048
Total business-type activities depreciation expense	\$ 463,048



## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE E – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Payments	Balance June 30, 2013	Due Within One Year
Governmental Activities:					
Note payable	\$ 530,398		\$ (83,055)	\$ 447,343	
Legal Settlement 2011	125,000		(50,000)	75,000	\$ 75,000
Total notes and settlement payable	655,398		(133,055)	522,343	75,000
Postclosure landfill costs	578,348		(22,244)	556,104	
Compensated absences	21,865		(3,747)	18,118	9,059
Governmental activities long-term liabilities	<u>\$ 1,255,611</u>	<u>\$ -</u>	<u>\$ (159,046)</u>	<u>\$ 1,096,565</u>	<u>\$ 84,059</u>
Business-Type Activities:					
General obligation bonds	\$ 36,000		\$ (5,000)	\$ 31,000	\$ 5,000
Placer County loan		\$ 3,000,000	(2,000,000)	1,000,000	1,000,000
State loan - restructured	7,761,000	927,179		8,688,179	
Legal settlement 2010	216,512		(108,256)	108,256	108,256
Legal settlement 2009	125,120		(6,351)	118,769	118,769
Total bonds, loan settlements payable	8,138,632	3,927,179	(2,119,607)	9,946,204	1,232,025
Compensated absences	12,805		(2,412)	10,393	5,197
Business-type activities long-term liabilities	<u>\$ 8,151,437</u>	<u>\$ 3,927,179</u>	<u>\$ (2,122,019)</u>	<u>\$ 9,956,597</u>	<u>\$ 1,237,222</u>

Long-term debt of the City's governmental activities consists of the following as of June 30, 2013:

On December 8, 2010, the City entered into an agreement with the Gard Family Living Trust to purchase the Winner Chevrolet auto dealership building. The agreement provides that the City lease the property to the seller for one dollar per year for a term of 50 years, and that the seller upgrade the existing property. The City and seller believe that the upgrades to the auto dealership will provide additional sales tax for the City. The City will pay 50% of the increase in sales tax over the base year sales amount in semi-annual payments over a period of 10 years with two 5-year extensions, or until paid in full, whichever is earlier.

\$ 447,343

On June 11, 2012, the City agreed to settle on the arbitrator's decision to award the Stationery Engineers, Local 39 Health & Welfare Trust Fund (Trust Fund) \$175,000 for unpaid fringe benefit contributions, interest, liquidated damages, fees and costs.

75,000

\$ 522,343

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE E – LONG-TERM LIABILITIES (Continued)

Post closure landfill cost: State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions on its landfill for 30 years after closure. The City has recorded a liability for landfill closure in the General Fund in accordance with GASB 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Costs*. The City hired a private consultant to perform an analysis to determine estimated total cost of the landfill closure, postclosure care costs, total capacity and remaining life. The City's landfill closure liability, based on landfill capacity used to date, is recorded based on the information provided by the consultant's analysis. The consultant's analysis is an estimate only and is subject to change due to inflation or deflation, technology, or applicable laws and regulations. The City is currently estimating that 100% of the landfill is used and there is no remaining life. As of June 30, 2013, the remaining closure and postclosure maintenance costs to be recognized over the next 25 years is \$556,104.

Long-term debt of the City's business-type activities consists of the following as of June 30, 2013:

On June 1, 1978, the City issued 100 \$1,000 USDA Rural Development general obligation bonds. The interest rate applicable on these bonds is 5%. The final maturity of these bonds is June 1, 2018.	\$ 31,000
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On September 19, 2012, the City secured a loan from the Placer County Treasurer in the amount of \$3,000,000 to provide temporary financing for the improvements to the City's wastewater treatment facilities until loan and grant proceeds are received. The note is secured by the City's loans, grants, and property tax revenues, and bears an interest rate of 0.4%. The principal and interest balances are due on the date of maturity and the City may prepay the balance in payments of at least \$500,000. The final maturity date of this note is June 30, 2014.	1,000,000
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On September 19, 2011, the City entered into a loan agreement with the State for \$12,825,600 at an interest rate of 1%, the City received proceeds of \$7,761,000, which includes the \$36,000 to refund the City's 1978 USDA Sewer Revenue Bond and \$7,725,000 to restructure the original loan. Terms of the loan call for the repayment period to be deferred until one year after completion of the Pond Lining project, which is expected to be in 2014. The State forgave \$3,319,000 of the loan principal during 2013. Additionally, the City received loan disbursements of \$927,179 during the year, and expects to receive disbursements for the remaining balance in 2014.	8,688,179
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On February 15, 2011, the United States District Court ordered the City to pay the Environmental Law Foundation \$433,024 in legal fees and interest. The payments are to be made in four equal installments, including interest at a rate of 10%.	108,256
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During 2009, the City settled a legal claim for \$450,000 related to the operations of its wastewater treatment plant. The City's insurance provider, SCORE, paid the entire \$450,000; however, the City is responsible for reimbursing \$226,601 to SCORE.	118,769
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	\$ 9,946,204
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## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE E – LONG-TERM LIABILITIES (Continued)

Principal payments on debt are due as follows:

June 30	Legal Settlement 2011	General Obligation Bonds	Placer County Loan	State Loan - Restructured	Legal Settlement 2010	Legal Settlement 2009	Total
2014	\$ 75,000	\$ 5,000	\$1,000,000		\$ 108,256	\$ 118,769	\$ 1,307,025
2015		6,000		\$ 319,665			325,665
2016		6,000		322,862			328,862
2017		7,000		326,090			333,090
2018		7,000		329,351			336,351
2019-2023				1,696,822			1,696,822
2024-2028				1,783,376			1,783,376
2029-2033				1,874,347			1,874,347
2034-2038				1,969,957			1,969,957
2039-2043				65,709			65,709
Totals	\$ 75,000	\$ 31,000	\$1,000,000	\$ 8,688,179	\$ 108,256	\$ 118,769	\$ 10,021,204

Interest payments on debt are due as follows:

June 30	General Obligation Bonds	Placer County Loan	State Loan - Restructured	Legal Settlement 2010	Total
2014	\$ 1,550	\$ 9,641		\$ 10,826	\$ 22,017
2015	1,300		\$ 90,284		91,584
2016	1,000		87,087		88,087
2017	700		83,858		84,558
2018	350		80,597		80,947
2019-2023			352,921		352,921
2024-2028			266,366		266,366
2029-2033			175,396		175,396
2034-2038			79,785		79,785
2039-2043			4,059		4,059
Totals	\$ 4,900	\$ 9,641	\$ 1,220,353	\$ 10,826	\$ 1,245,720

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE F – NET POSITION/FUND BALANCE

The following are the purposes for which net positions are restricted:

	Governmental Activities
Street projects	\$ 53,738
Landfill	212,525
Economic development	263,127
Recycling	32,841
Fire Department	27,115
Community projects	225,222
Mitigation projects	176,715
	<u>\$ 991,283</u>

The following are the components of the Governmental Funds fund balances:

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Long-term receivables			\$ 53,351	\$ 53,351
Prepaid expenses			1,095	1,095
Total Nonspendable	-	-	54,446	54,446
Committed for:				
Highway 80 Revitalization	\$ 131,812			131,812
Total committed	131,812	-	-	131,812
Restricted for:				
Street projects		\$ 9,902	43,836	53,738
Landfill	768,629			768,629
Economic redevelopment			209,776	209,776
Recycling			31,746	31,746
Fire Department			27,115	27,115
Community projects			5,222	5,222
Caboose restoration				-
Mitigation projects			176,715	176,715
Total Restricted	768,629	9,902	494,410	1,272,941
Unassigned	(71,940)			(71,940)
Total Unassigned	(71,940)	-	-	(71,940)
Total fund balances	\$ 828,501	\$ 9,902	\$ 548,856	\$ 1,387,259

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE G – DEFINED BENEFIT PENSION PLAN

Plan Description: Effective April 2008, the City began contributing to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. All permanent and part-time employees working at least 1,000 hours per year are enrolled in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor multiplied by their highest average monthly salary over 12 consecutive months of employment. Benefit provisions and all other requirements are established by State statute. The establishment and amendment of specific benefit provisions of the Plan is authorized by resolution of the City Council. PERS requires plans with less than 100 active participants to participate in risk pools. The City participated in the Miscellaneous 2% at 60 Risk Pool. Copies of the PERS annual financial report may be obtained from their Executive Office at 400 P Street, Sacramento, CA 95814.

Contributions: Participants in the Plan are required to contribute 5% of their annual covered salary for union members and 7% for non-union members. The City is required to contribute to PERS at an actuarially determined rate. The rate for the year ended June 30, 2013 was 8.486% of the annual covered payroll. The contribution requirement of plan members and the City are established and may be amended by PERS. The City's contributions for the years ended June 30, 2013, 2012 and 2011 were \$33,846, \$26,181, and \$20,307, respectively, which was equal to the required contributions.

## NOTE H – INSURANCE

The City is a member of the Small Cities Organized Risk Effort (SCORE) with other northern California cities. SCORE is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide liability insurance. SCORE provides claims processing administrative services, risk management services and actuarial studies. A member from each city governs SCORE. The City of Colfax council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The City does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities. SCORE is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If SCORE becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance. SCORE establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE H – INSURANCE (Continued)

The City's insurance coverage and the respective coverage providers are as follows:

Amount	Coverage provider	Payment Source
<i>LIABILITY CLAIMS:</i>		
- \$ 25,000	Self-insured	Banking layer
\$ 25,001 - \$ 500,000	Small Cities Organized Risk Effort	Shared risk pool
\$ 500,001 - \$ 40,000,000	California Joint Powers Risk Management Authority	Shared risk pool
<i>WORKERS' COMPENSATION:</i>		
- \$ 25,000	Self-insured	Banking layer
\$ 25,001 - \$ 150,000	Small Cities Organized Risk Effort	Shared risk pool
\$ 150,001 - \$ 4,850,000	Local Agency Workers' Compensation Excess Joint Powers Authority	Shared risk pool
\$ 4,850,001 - Statutory Limit	California State Association of Counties Excess Workers' Compensation	Shared risk pool

The City also carries commercial insurance for additional liability and property insurance coverage. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, settlements have not exceeded the insurance coverage for the past three fiscal years. The audited financial statements of SCORE are available at SCORE's office.

## NOTE I – COMMITMENTS AND CONTINGENCIES

The City participates in various federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The audits by the grantors for the year ended June 30, 2013, have not yet been conducted. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Since October 25, 2007, the Central Valley Water Board adopted and rescinded a number of cease and desist orders that prescribe waste discharge requirements and time schedules for the City at its Wastewater Treatment Plant. The Orders currently in effect are Cease and Desist Order R5-2011-0097 issued on December 8, 2011, Waste Discharge Requirements Order R5-2013-0045 issued on May 30, 2013, and Cease and Desist Order R5-2013-0046 issued on May 30, 2013.

Cease and Desist Order R5-2011-0097 required in part, that storage pond #3 be lined, that inflow and infiltration be reduced, that the storage capacity be evaluated, and that the Discharge comply with the final copper effluent by January 1, 2014. If the City fails to comply with the provisions of this Order, the Central Valley Water Board may refer this matter to the Attorney General for judicial enforcement, may issue a complaint for administrative civil liability, or may take other enforcement actions.

## CITY OF COLFAX, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2013

## NOTE I – COMMITMENTS AND CONTINGENCIES

Cease and Desist Order R5-2013-0046 and Water Discharge Requirements Order R5-2013-0045 set final effluent limitations for arsenic, which must be complied with by May 30, 2016. Failure to comply with this Order or with the Waste Discharge Requirements may result in the assessment of Administrative Civil Liability of up to \$10,000 per violation, per day, depending on the violation, pursuant to the California Water Code, including sections 13268, 13350, and 13385. The Central Valley Water Board reserves its right to take enforcement actions authorized by law.

The City is party to various claims, legal actions and complaints that arise in the normal operation of business. Management and the City's legal counsel believe that there are no material loss contingencies that would have a material adverse impact on the financial position of the City.

## NOTE J – PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA

Under the provisions of Proposition 1A and as part of the 2009/10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The State repaid \$44,754 to the City in the year ended June 30, 2013.

**COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS**



## CITY OF COLFAX

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2013

	Special Revenue				
	Bricks	Supplemental Law Enforcement	CDBG	Transportation & Road Fund	Gas Tax
ASSETS:					
Cash and cash equivalents	\$ 5,219		\$ 216,045	\$ 8,938	\$ 38,730
Due from other governmental agencies		\$ 31,715	3,500		5,132
Interest receivable	3		129	(17)	43
Notes receivable			53,351		
Prepaid expenses					
Total assets	<u>\$ 5,222</u>	<u>\$ 31,715</u>	<u>\$ 273,025</u>	<u>\$ 8,921</u>	<u>\$ 43,905</u>
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts payable			\$ 9,898	\$ 5,873	\$ 69
Accrued expenses				3,048	
Deferred revenue					
Due to other funds		\$ 31,715			
Total liabilities		<u>31,715</u>	<u>9,898</u>	<u>8,921</u>	<u>69</u>
Fund balance:					
Nonspendable			53,351		
Restricted	\$ 5,222		209,776		43,836
Total fund balance	<u>5,222</u>		<u>263,127</u>		<u>43,836</u>
Total liabilities and fund balance	<u>\$ 5,222</u>	<u>\$ 31,715</u>	<u>\$ 273,025</u>	<u>\$ 8,921</u>	<u>\$ 43,905</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue				Total Nonmajor Governmental Funds
Mitigation Funds	Beverage Recycling	Oil Grant	Fire Capital	
\$ 176,778	\$ 23,894	\$ 3,003	\$ 27,098	\$ 499,705
	5,000			-
160	15	2	17	45,347
				352
		1,095		53,351
				1,095
<u>\$ 176,938</u>	<u>\$ 28,909</u>	<u>\$ 4,100</u>	<u>\$ 27,115</u>	<u>\$ 599,850</u>
\$ 223		\$ 135		\$ 16,198
		33		3,081
				31,715
<u>223</u>		<u>168</u>		<u>50,994</u>
176,715	\$ 28,909	1,095		54,446
		2,837	\$ 27,115	494,410
<u>176,715</u>	<u>28,909</u>	<u>3,932</u>	<u>27,115</u>	<u>548,856</u>
<u>\$ 176,938</u>	<u>\$ 28,909</u>	<u>\$ 4,100</u>	<u>\$ 27,115</u>	<u>\$ 599,850</u>

## CITY OF COLFAX

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

	Special Revenue			
	Bricks	Supplemental Law Enforcement	CDBG	Transportation & Road Fund
REVENUES:				
Tax revenues				
Licenses, fees and permits				\$ 792
Intergovernmental revenues		\$ 100,000	\$ 3,500	99,013
Use of money and property	\$ 13	1	2,178	(74)
Other revenue				
Total revenues	13	100,001	5,678	99,731
EXPENDITURES:				
Public safety		106,408		
Public works				132,825
Community development			66,116	
Capital outlay				
Total expenditures		106,408	66,116	132,825
Excess (deficiency) of revenues over (under) expenditures	13	(6,407)	(60,438)	(33,094)
OTHER FINANCING SOURCES (USES):				
Transfers in		6,407	67,506	33,094
Transfers out				
Total other financing sources (uses)		6,407	67,506	33,094
Net change in fund balance	13		7,068	
Fund balances - beginning of year	5,209		256,059	
Fund balances - end of year	\$ 5,222	\$ -	\$ 263,127	\$ -

The accompanying notes are an integral part of these financial statements.

Special Revenue					Total Nonmajor Governmental Funds
Gas Tax	Mitigation Funds	Beverage Recycling	Oil Grant	Fire Capital	
\$ 51,283					\$ 51,283
	\$ 2,197				2,989
		\$ 5,000	\$ 5,000		212,513
146	659	60	2	\$ 68	3,053
<u>51,429</u>	<u>2,856</u>	<u>5,060</u>	<u>5,002</u>	<u>68</u>	<u>269,838</u>
					106,408
19,982					152,807
		40	4,530		70,686
	14,434				14,434
<u>19,982</u>	<u>14,434</u>	<u>40</u>	<u>4,530</u>		<u>344,335</u>
31,447	(11,578)	5,020	472	68	(74,497)
					107,007
<u>(33,094)</u>	<u>(79,372)</u>				<u>(112,466)</u>
<u>(33,094)</u>	<u>(79,372)</u>				<u>(5,459)</u>
(1,647)	(90,950)	5,020	472	68	(79,956)
45,483	267,665	23,889	3,460	27,047	628,812
<u>\$ 43,836</u>	<u>\$ 176,715</u>	<u>\$ 28,909</u>	<u>\$ 3,932</u>	<u>\$ 27,115</u>	<u>\$ 548,856</u>

## **Attachment 3**

**CITY OF COLFAX CALIFORNIA**

**COMPLIANCE REPORTS**

June 30, 2013

## CITY OF COLFAX, CALIFORNIA

## COMPLIANCE REPORTS

June 30, 2013

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## Richardson & Company

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council  
City of Colfax, California  
Colfax, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Colfax, California (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 19, 2014.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the City Council  
City of Colfax, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company*

February 19, 2014

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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

City Council  
City of Colfax, California  
Colfax, California

#### **Report on Compliance for Each Major Federal Program**

We have audited the City of Colfax, California's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

To the City Council  
City of Colfax, California

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 19, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the City Council  
City of Colfax, California

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Richardson & Company*

February 19, 2014

## CITY OF COLFAX, CALIFORNIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

## A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- |  |             |
|--|-------------|
| 1. Type of auditor's report issued:  | Unqualified |
| 2. Internal controls over financial reporting:   |             |
| a. Material weaknesses identified?   | No          |
| b. Significant deficiencies identified not considered<br>considered to be material weaknesses? | None noted  |
| 3. Noncompliance material to financial statements noted?                                       | No          |

Federal Awards

- |   |             |
|---|-------------|
| 1. Internal control over major programs:  |             |
| a. Material weaknesses identified?  | No          |
| b. Significant deficiencies identified not considered<br>considered to be material weaknesses?                                | None noted  |
| 2. Type of auditor's report issued on compliance for<br>major programs:   | Unqualified |
| 3. Any audit findings disclosed that are required to be<br>reported in accordance with Circular OMB A-133,<br>Section 510(a)? | No          |

4. Identification of major programs:

CFDA NumberName of Federal Program

10.760

Water and Waste Disposal  
Systems for Rural Communities

66.458

Capitalization Grants for Clean  
Water State Revolving Funds

- |  |           |
|--|-----------|
| 5. Dollar Threshold used to distinguish between Type A<br>and Type B programs?       | \$300,000 |
| 6. Auditee qualified as a low-risk auditee under OMB<br>Circular A-133, Section 530? | Yes       |

## B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR  
FEDERAL AWARD PROGRAMS AUDIT

None

## D. PRIOR YEAR AUDIT FINDINGS

None

## CITY OF COLFAX, CALIFORNIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Expenditures</u>
MAJOR FEDERAL AWARDS:			
<u>U.S. Department of Agriculture</u>			
Water and Waste Disposal Systems			
For Rural Communities	10.760		\$ 1,000,000
<u>U.S. Environmental Protection Agency</u>			
Passed-through the State of California Water			
Resources Control Board			
Capitalization Grant for State Revolving Funds			
Pond 3 Liner	66.458	11-829-550	<u>3,271,283</u>
TOTAL MAJOR FEDERAL AWARDS			<u>4,271,283</u>
NON-MAJOR FEDERAL AWARDS:			
<u>U.S. Environmental Protection Agency</u>			
Passed-through the State of California Water			
Resources Control Board			
Waste Water Treatment Plant Improvement Project	66.202	XP-96966701	<u>253,078</u>
TOTAL NON-MAJOR FEDERAL AWARDS			<u>253,078</u>
			<u>\$ 4,524,361</u>

## CITY OF COLFAX, CALIFORNIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

## NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Colfax, California and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

## **Attachment 4**



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February 19, 2014

To the City Council  
City of Colfax  
Colfax, California

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Colfax, California (the City), for the year ended June 30, 2013, and have issued our report thereon dated February 19, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated May 1, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable

To the City Council  
Page 2

basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

#### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no material weaknesses in internal controls as a result of our audit.

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. During 2013, the City implemented GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which resulted in a change in terminology in the City's financial statements. Net assets have been replaced with net position and items previously reported as deferred revenue have been reclassified to either unearned revenue or deferred inflows. Revenues not received within the availability period have been reported as unavailable revenue, and have been classified as deferred inflows. No new accounting policies were adopted and the application of existing policies were not changed during the year ended June 30, 2013.

We noted no transaction entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were determining the depreciable lives and methods used for capital assets, allowance for doubtful accounts and the valuation of donated capital assets. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

To the City Council  
Page 3

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effect is immaterial, both individually and in the aggregate to the financial statements taken as a whole. In addition, no adjustments were noted as a result of our audit other than reclassification adjustments for financial statement presentation only.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 19, 2014.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

*Richardson & Company*

February 19, 2014

CITY OF COLFAX, CALIFORNIA  
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES  
YEAR ENDED JUNE 30, 2013

**GOVERNMENTAL ACTIVITIES**

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets	Total Liabilities	Total Net Position	Total Change in Net Position
Effect of recording building permits revenue on a cash basis.	\$ (6,669)	\$ (12,378)	\$ 5,709	\$ 5,709
Effective of not adjusting landfill postclosure liability for inflation in current year.		(10,010)	10,010	10,010
Net Unadjusted Audit Differences - This Year	(6,669)	(22,388)	15,719	15,719
Financial Statement Caption Totals (Governmental Activities)	\$ 5,931,800	\$ 1,257,964	\$ 4,673,836	\$ 581,024
Net Audit Differences as % of F/S Captions	(0.11%)	(1.78%)	0.34%	2.71%

CITY OF COLFAX, CALIFORNIA  
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES  
YEAR ENDED JUNE 30, 2013

**GENERAL FUND**

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets	Total Liabilities	Total Fund Balance	Total Change in Fund Balance
Effect of recording building permits revenue on a cash basis.	\$ (6,669)	\$ (12,378)	\$ 5,709	\$ 5,709
Total Net Unadjusted Audit Difference - This year	(6,669)	(12,378)	5,709	5,709
Financial Statement Caption Totals (General Fund)	\$ 945,211	\$ 116,710	\$ 828,501	\$ 388,251
Net Audit Differences as % of F/S Captions	(0.71%)	(10.61%)	0.69%	1.47%

## **Attachment 5**

## Richardson & Company

550 Howe Avenue, Suite 210  
Sacramento, California 95825

Telephone: (916) 564-8727  
FAX: (916) 564-8728

City Council  
City of Colfax  
Colfax, California

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Colfax (the City) for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of the following matters that warrant your attention.

### Internal Control and Policies

We noted that the City does not have a formal ethics or whistleblower policy. We recommend that the City develop and implement a formal ethics and whistleblower policy and include it as part of the City's personnel policy.

### Risk Assessment Plan

We noted that the City does not have a formal risk assessment plan to identify those risks within the City that could result in fraud or material misstatement of the financial statements, and then to implement internal controls to mitigate those identified risks. We recommend the City develop a risk assessment plan to identify potential risk areas and then ensure controls or processes are in place to mitigate those risks. This risk assessment should be performed on a periodic basis. In addition, a Committee of the City Council, serving as the Audit Committee, should be involved in this risk assessment process as well.

City Council  
City of Colfax  
Page 2

### Donated Land

Government Accounting Standards Board (GASB) No. 34 required that contributed land and other capital assets be recorded at their estimated fair market value as of the date the asset was donated. We noted the City has several properties it owns that were donated but no value has been assigned to these assets. We recommend that the City estimate the fair value as of the date of donation and reflect this amount on the government-wide statement of net assets.

### Investment Policy

We noted the City has not updated its investment policy for several years. In accordance with the government code and the City's Investment Policy, the Policy needs to be reviewed and approved annually. We recommend that the Investment policy be reviewed and approved on an annual basis.

### New Pronouncements

In June 2012, the GASB approved Statement No. 68, "Accounting and Financial Reporting for Pensions." This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. Historically, GASB's pension standards viewed the obligation to provide benefits as belonging to the plan, rather than to the employers. As a result, employers disclosed the amount of unfunded pension liability in notes to their financial statements instead of recognizing a liability on the face of the statement of net position. As the City participates in a multi-employer cost-sharing plan, the City will be required to report a liability equivalent to their proportionate share of the net pension liability of the plan as well as the related pension expense and any deferred inflows or deferred outflow of resources. Historically, the City has only included their required contributions as an expense. Due to the significant impact this Statement could have on the City's financial statements, we recommend that the City monitor CalPERS's progress in providing the information needed to implement this statement.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This report is intended solely for the information and use of the City Council, management, and others within the organization and does not affect our report dated February 19, 2014 on the financial statements of the City.

*Richardson & Company*

February 19, 2014



## **Attachment 6**

## Richardson & Company

550 Howe Avenue, Suite 210  
Sacramento, California 95825

Telephone: (916) 564-8727  
FAX: (916) 564-8728

### INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT TESTING

City Council  
City of Colfax  
Colfax, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the City of Colfax for the year ended June 30, 2013. These procedures, which were agreed to by the City of Colfax and the League of California Cities (as presented in the publication entitled *Article XIII-B Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed By of the California Constitution*) were performed solely to assist the City of Colfax in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City of Colfax management is responsible for the appropriations limit calculation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the City's calculation of the 2012/2013 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost of living adjustment component to Article XIII-B which states that the City may annually adjust the component for either the change in California per capita personal income or, the percentage change in the City's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII-B which states that the City may annually choose to adjust the component for either the change in population in the County in which the City is located, or the change in population within the unincorporated area of the County in which the City is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2012/2013 Appropriation Limit by multiplying the product of the two above factors by the 2011/2012 appropriation limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the City's actual revenues to the computed appropriation limit for fiscal year 2012/2013.

Finding: For the 2012/2013 fiscal year, the City's actual revenues subject to the appropriations limit did not exceed the appropriation limit adopted by resolution of the City Council.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit calculation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the use of the City of Colfax and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Richardson & Company*

February 19, 2014

## APPENDIX A

CITY OF COLFAX  
APPROPRIATION LIMIT CALCULATION  
Year Ended June 30, 2013

**APPROPRIATION LIMIT  
ADOPTED BY CITY:**

Recorded in Final 2012/2013 Budget \$ 1,848,010

**APPROPRIATION LIMIT  
COMPUTATION PER REVIEW:**

2012/2013 Appropriation Limit \$ 1,770,954

Cost of living factor:

Change in California per capita income 1.0377

Population Adjustment Factor:

Population change in City of Colfax 1.0056

Auditor computed limitation 1,848,010

Variance \$ (0)

# ITEM 3A

City of Colfax  
City Council Minutes  
Regular Meeting of Wednesday, March 12, 2014  
City Hall Council Chambers  
33 S. Main Street, Colfax CA

**1 CALL REGULAR MEETING TO ORDER**

The Regular Council meeting was called to order at 7:02 PM by Mayor Hesch.

A. The Pledge of Allegiance was led by Fire Chief Chris Paulus.

B. Roll Call: Councilmembers present: Douglass, Hesch, McKinney.

Councilmembers absent: Barkle, Parnham

C. Approval of Agenda:

On a motion by Councilmember McKinney, seconded by Mayor Pro-Tem Douglas, the City Council approved the agenda.

AYES: Douglass, Hesch, McKinney

NOES: None

ABSENT: Barkle, Parnham

**2. PRESENTATIONS**

**2A. City and Fire Department Appreciation of Fire Captain Phil Begin's Service to the Community**

Mayor Hesch read and presented a Proclamation commending Captain Phil Begin's service to the Colfax Volunteer Fire Department and the community. Fire Chief Chris Paulus and members of the Fire Department presented Captain Begin with an impressive plaque and a special Fire Captain's helmet.

**3. CONSENT AGENDA**

The Consent Agenda item was pulled for discussion. Councilmember McKinney voiced his disappointment that Council Business Item Number 7 from February 26, 2014 Agenda did not include a discussion to revisit the Ordinance prohibiting a Medical Marijuana Dispensary.

**3A. Approval of Minutes**

A motion was made by Councilmember McKinney and seconded by Councilmember Douglass to approve the Minutes of the February 26, 2014 meeting.

AYES: Douglass, Hesch, McKinney

NOES: None

ABSENT: Barkle, Parnham

#### **4. COUNCIL, STAFF AND OTHER REPORTS**

##### **A. Committee Reports and Informational Items – All Council Members**

Councilmember McKinney reported the Core Charter School may be given a new Charter from Placer County once contingencies are cleared from their building. He thanked staff for helping to facilitate their efforts. Councilmember McKinney stated he has had numerous positive comments from the public expressing gratitude for the officers of the Sheriff's Department, especially Officer Barker. He commended the various agencies which responded to the school incident.

Mayor Pro-tem Douglass reported that the Project 60 committee held an informative meeting regarding Subsidized Low Income Housing. He had no specific Colfax information to report to the Council.

Mayor Hesch conveyed information from Joshua Alpine with the Placer County Water Agency stating that the Agency will reassess the water situation April 1<sup>st</sup> to determine if the drought will require changes in the water plan. He also mentioned that the Agency may soon obtain access to a new water source that will provide service to Colfax.

##### **B. Operations Updates – City Staff**

City Manager Miller reported on the school incident that had happened earlier in the day. No violence or injuries occurred and no confirmed actual threat was identified. All students were accounted for as safe. Law Enforcement cleared all buildings room by room in the High School and the Elementary School. Public works assisted in traffic control and logistics. Fortunately this incident did not have any tragic consequences, and did provide all agencies with valuable experience in dealing with emergencies. Within minutes the County Emergency Services called offering help. City Manager Miller thanked all who responded for protecting our children.

He reported that the City has preliminary approval from the Placer County Transportation Planning Agency to receive approximately \$70,000 grant for pedestrian access to the transit hub via sidewalks on Church Street. He commended the staff for their quick turnaround of the grant application.

City Manager Miller informed the Council that the Preliminary Design for new truck routes has been completed and staff will present the Design to the State for funding next week. Councilmember McKinney requested a copy of the report.

City Manager Miller announced the City of Colfax and Sierra Vista Community Center Basketball Game will be hosted by SVCC on March 21 at 6:00 PM.

He offered condolences to Councilmember Barkle.

Councilmember McKinney requested that staff pursue the per Capita grant not applied for in the past.

**C. Additional Reports – Agency Partners**

Fire Chief Paulus thanked council for recognizing Fire Captain Begin.

He gave additional information about the potential active shooter incident. He stated that our area first responders are ahead of other areas in preparing for such incidents due to the cooperative relationship between the Fire Department and the Sheriff. The agencies that responded to the incident will meet to debrief next week. One of the key issues that will be addressed is how to facilitate calming parents. This incident illustrated the need for the Emergency Drill that is scheduled for April 26, 2014. Councilmember McKinney requested that Emergency Plans include Corbin Learning Center at SVCC. Fire Chief Paulus affirmed that the school staff has been invited to the drill. Another key issue that was proven during the incident is the phenomenal spread of information through cell phones, tweets and text. Because of this, managing parents was as much an issue as dealing with the incident. He asked that the public communicate with Fire and Sheriff's personnel during this debriefing period with viable suggestions for managing emergency issues.

Fire Chief Paulus reported that the Fire Department has received 6-7 applications for volunteer firefighters and will begin their training soon.

CalFire has reduced our fire danger from Extreme to Severe Drought conditions. The men and women under his command will undoubtedly be mobilized out of the area this year for the exceptional fire season that is imminent.

**2. PUBLIC COMMENT**

Ken Brock, Attorney for Stacie Younggren and the proposed Colfax Herbal Cooperative requested that Council direct staff to schedule an informational workshop to discuss the law and answer questions regarding the Medical Marijuana Dispensary (MMD).

Jeannie Claxton thanked the Council for resolving the SVCC litigation. She appreciates seeing the Council work together with the community. She also commented that it has been wonderful to work with Officer Barker as he is very compassionate about helping the homeless folks. Ms. Claxton requested that the City work together with SVCC to provide a warming and cooling station. She thanked the City Manager and Council for a new season in Colfax; an era of transparency.

Rich Miller, Colfax area resident, spoke in favor of the MMD. He was angered that the Police were in attendance at the last meeting. He felt that they intimidated those who wished to speak. He feels it shouldn't take three months to get an issue on the Council Agenda.

Stacie Younggren reminded the Council that she just wants to work with the City to open the Medical Marijuana Dispensary (MMD) and believes that her business would provide \$140,000 annual revenue for the City. She reiterated the request for a workshop.



Eric Stone with the Chamber of Commerce asked if Council had any requests of the Chamber. Councilmember McKinney asked to be informed when the next 3<sup>rd</sup> of July planning meeting is scheduled.

Councilmember McKinney, in response to public comment, recommends that a workshop for the MMD be scheduled.

City Manager Miller stated that a workshop is a good format but requested that the workshop not be scheduled sooner than the April 23<sup>rd</sup> meeting as he has a skeleton staff and many projects in the works. There is too little time to prepare for another public meeting.

On a motion from Councilmember McKinney and a Second from Councilmember Douglass a roll call vote was taken to direct Staff to schedule a workshop meeting to discuss opening an MMD.

Ayes:	Douglass, McKinney
Noes:	Hesch
Absent:	Barkle, Parnham

## **6. PUBLIC HEARINGS**

No public hearings were held.

## **7. COUNCIL BUSINESS**

- 7A. **Grass Valley Street Road Rehabilitation, Project No. 12-01.01; and, Grass Valley Street UPRR Ped Xing and Bike Improvement, Project No. 12-01.02**

**STAFF PRESENTATION: Jim Fletters, Ponticello Engineering**

**RECOMMENDATION: 1) Receive project update; 2) Approve revised Project Budget Sheets (PBS) for Grass Valley Street Road Rehabilitation, Project No. 12-01.01, and Grass Valley Street UPRR Ped Xing and Bike Improvements, Project No. 12-01.02; and 3) Approve Resolution No. 4-2014 authorizing the City Manager to execute a contract amendment with Holdrege & Kull for a Phase 2 soil sampling and analysis required for the Grass Valley Street UPRR Ped Xing and Bike Improvements.**

City Engineer Jim Fletter presented the Staff Report for the Grass Valley Street projects. Council asked several questions to clarify the financial aspects of the report.

Councilmember McKinney requested that future Staff Reports present a clearer delineation of the changes made when subjects such as this are brought to Council for an update and increased funding.

Ms. Claxton requested the project include ADA compliance as many sidewalks in town are impassable to wheelchairs.

Mr. Brock stated that his client's proposed dispensary could take care of many of these problems with the 4% tax that would be paid by the MMD.

Ms. Claxton felt that this statement was an attempt to bribe Council to approve the dispensary.

Councilmember McKinney stated that he would be comfortable approving the updated budget sheets and the resolution to increase the Contract with H and K with the contingency that he would be provided a clearer accounting of the increases.

On a motion by Councilmember McKinney and a second by Councilmember Douglass, Council voted to 1) Receive project update; 2) Approve revised Project Budget Sheets (PBS) for Grass Valley Street Road Rehabilitation, Project No. 12-01.01, and Grass Valley Street UPRR Ped Xing and Bike Improvements, Project No. 12-01.02; and 3) Approve Resolution No. 4-2014 authorizing the City Manager to execute a contract amendment with Holdredge & Kull for a Phase 2 soil sampling and analysis required for the Grass Valley Street UPRR Ped Xing and Bike Improvements.

Ayes: Douglass, Hesch, McKinney  
Noes: None  
Absent: Barkle, Parnham

7B. Cash Summary Report, January 31, 2014

**STAFF PRESENTATION:** Mark Miller, City Manager

**RECOMMENDATION:** Approve and File

City Manager Miller presented the Cash Summary Report, explaining that the cash balance is up primarily due to the nature of the City's non-linear revenue stream and linear expenses. The cash balance is projected to drop as the year progresses.

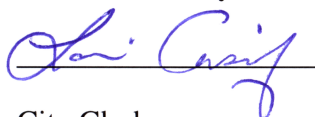
Councilmember McKinney and Mayor Hesch asked for clarification on a few points.

**8. ADJOURNMENT**

Mayor Hesch called for adjournment at 9:09 PM.

Submitted to City Council this 26<sup>th</sup> day of March, 2014

Lorraine Cassidy



City Clerk

# ITEM 6A



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE MARCH 26, 2014 COUNCIL MEETING

**FROM:** Brigit S. Barnes, Planning Director & City Land Use Attorney

**PREPARED BY:** Jaenalyn Jarvis Killian, Planner

**DATE:** February 7, 2014

**SUBJECT:** Discuss and Consider Adopting Resolution No. 05-2014: A Resolution Of The Planning Commission Of The City Of Colfax Approving Conditional Use Permit #CUP-01-14 (Douglass) To Allow A Single-Family Residential Use In The Retail Commercial (CR) Zone.

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Adopt Resolution No. 05-2014

### PROJECT SUMMARY:

Applicant (s): Kim A. Douglass  
 Owner: Kim A. Douglass  
 Project Location: 121 Grass Valley Street, Colfax, CA  
 Land Use (existing): Vacant building  
 Assessor's Parcel No: 006-061-007-000  
 Zoning District: Retail Commercial (CR)  
 GP Designation: Commercial

**SURROUNDING LAND USES AND SETTING:** The site is approximately 0.15 acres and is located in the Commercial Retail (CR) zone. The site is bordered by single-family residential uses to the west and south, a vacant lot to the north which is zoned multi-family residential, and an office use to the east. [See Attachment 1 - photographs of site and adjacent neighborhood uses.]

**PUBLIC NOTICE:** This meeting has been noticed in accordance with the requirements of California Planning and Zoning Law, Title 7, Chapter 65000, Government Code, as amended.

**PROJECT DESCRIPTION:** The proposed project is the conversion of an existing 1,339 square feet (approximate) office building/use to a single-family residence/use. There are existing sewer and water lines serving the property. There is no garage; however, there is a large asphalt area which will accommodate 2

large vehicles or 3 small cars, and an area in the back which is large enough for 2 cars. No external modifications to the existing building are proposed with this change in use.

**PROJECT ANALYSIS:**

A single-family residential use in the CR zone is allowed upon the granting of a conditional use permit according to Title 17 of the City's Municipal Code (Zoning Ordinance). In order to approve a conditional use permit, the following findings must be made:

1. The proposed use or development is substantially consistent with the City of Colfax general plan and any applicable specific plan;
2. The proposed use or development generally conforms with all applicable standards and requirements of this title (Colfax Zoning Ordinance); and
3. The location, size, design and operating characteristics of the use or development is generally compatible with and shall not adversely affect or be materially detrimental to the health, safety, or welfare of persons residing or working in the area, or be detrimental or injurious to public or private property or improvements;
4. The proposed use will not interfere with the nature and condition of the adjacent uses and structures.

It is staff's opinion that the Project meets the criteria set forth above since the Project site is bordered by existing single-family residential uses and zoning to the west, existing single family residential uses to the south, and a vacant lot to the north which is zoned multi-family residential and has already been approved for a 20-lot residential subdivision. The Project site also has two sides that are located on the boundary line between CR zoning and residential zoning. Lastly, the proposed use meets the City's off-street parking requirements of two (2) spaces. Draft Conditions of Approval are attached. [See Attachment 2]

**COMMENTS FROM OTHER CITY DEPARTMENTS:**

The only comment received was from the Engineering Department, which recommended the following conditions: (1) replace the asphalt sidewalk in front of the driveway with concrete sidewalk meeting current City and ADA standards and, to the extent feasible, match the construction of the existing sidewalk to the east and west; and (2) replace the broken curb and gutter within the driveway section to meet current City standards.

**COMMENTS FROM OUTSIDE AGENCIES:**

None received.

**ENVIRONMENTAL DETERMINATION:**

Staff has conducted an environmental review and determined that the project qualifies for an exemption under the California Environmental Quality Act. [See Attachment 3]

**FINANCIAL AND/OR POLICY IMPLICATIONS:**

Allowing a residential use in place of a retail commercial use in the CR zone could potentially result in the loss of sales and business tax revenue that the City may have otherwise received had the Project not been approved. The site was previously occupied by a dentist's office that was not generating any tax revenue.

**COMMITTEE RECOMMENDATION:**

On February 25, 2014, the Land Use Committee (LUC) reviewed the project at a duly-noticed Special Meeting. The LUC recommended approval of the project after incorporation of the City Engineer's recommended conditions of approval, based on safety concerns and a desire to uniformly apply City standards.

**PLANNING DEPARTMENT RECOMMENDATION:**

The Planning Department recommends the following:

- That the Planning Commission adopt the Proposed Resolution [see Attachment 4] Approving Conditional Use Permit #CUP-01-14 (Douglass) To Allow A Single-Family Residential Use In The Commercial Retail Zone.

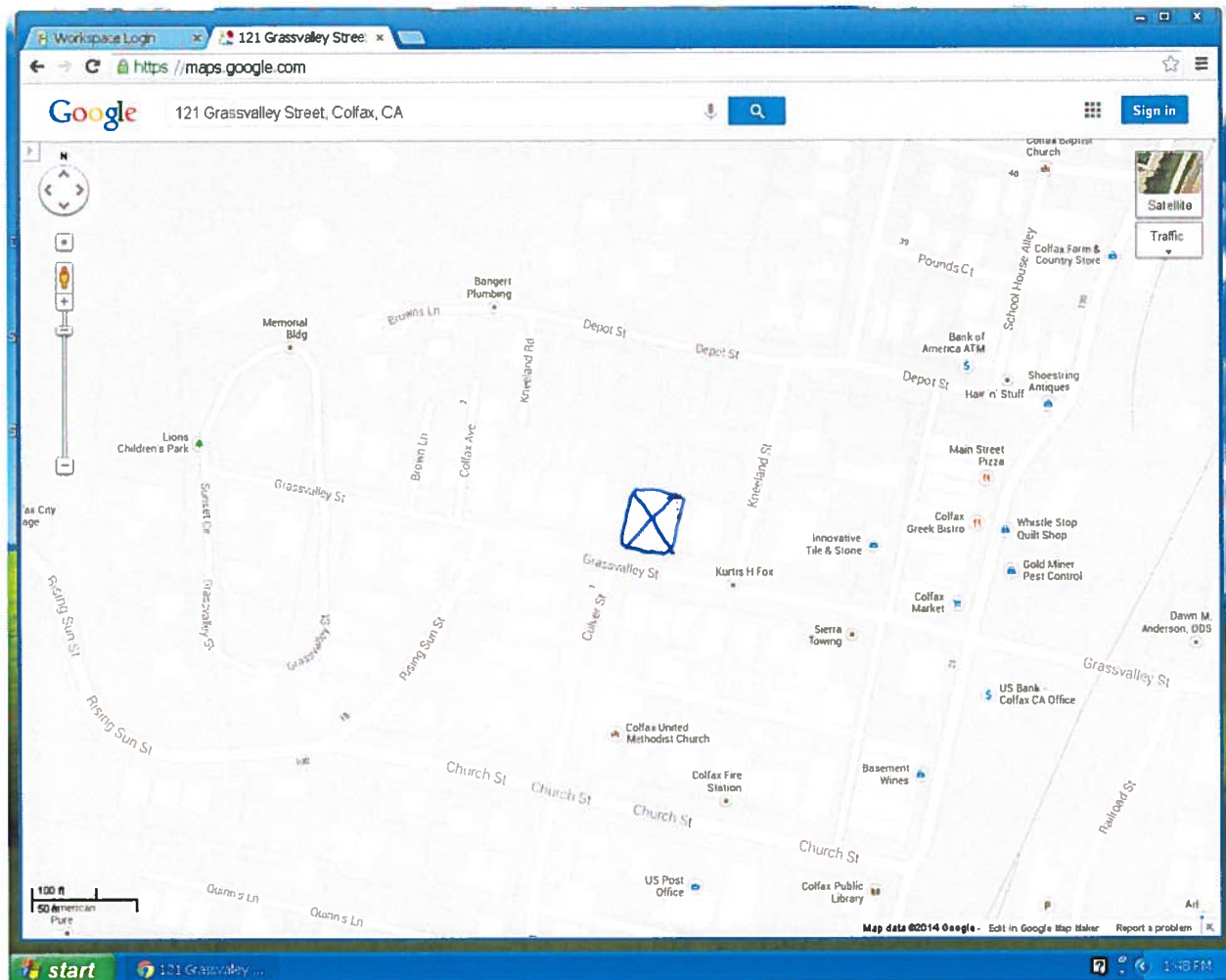
**RECOMMENDED FINDINGS:**

1. The Project, as conditioned, is substantially consistent with the City of Colfax general plan and any applicable specific plan;
2. The Project, as conditioned, generally conforms with all applicable standards and requirements of this title (Colfax Zoning Ordinance); and
3. The location, size, design and operating characteristics of the Project are generally compatible with and shall not adversely affect or be materially detrimental to the health, safety, or welfare of persons residing or working in the area, or be detrimental or injurious to public or private property or improvements;
4. The Project, as conditioned, will not interfere with the nature and condition of the adjacent uses and structures.
5. The site is physically suitable for the Project.
6. The Project is consistent with the character of the immediate neighborhood.

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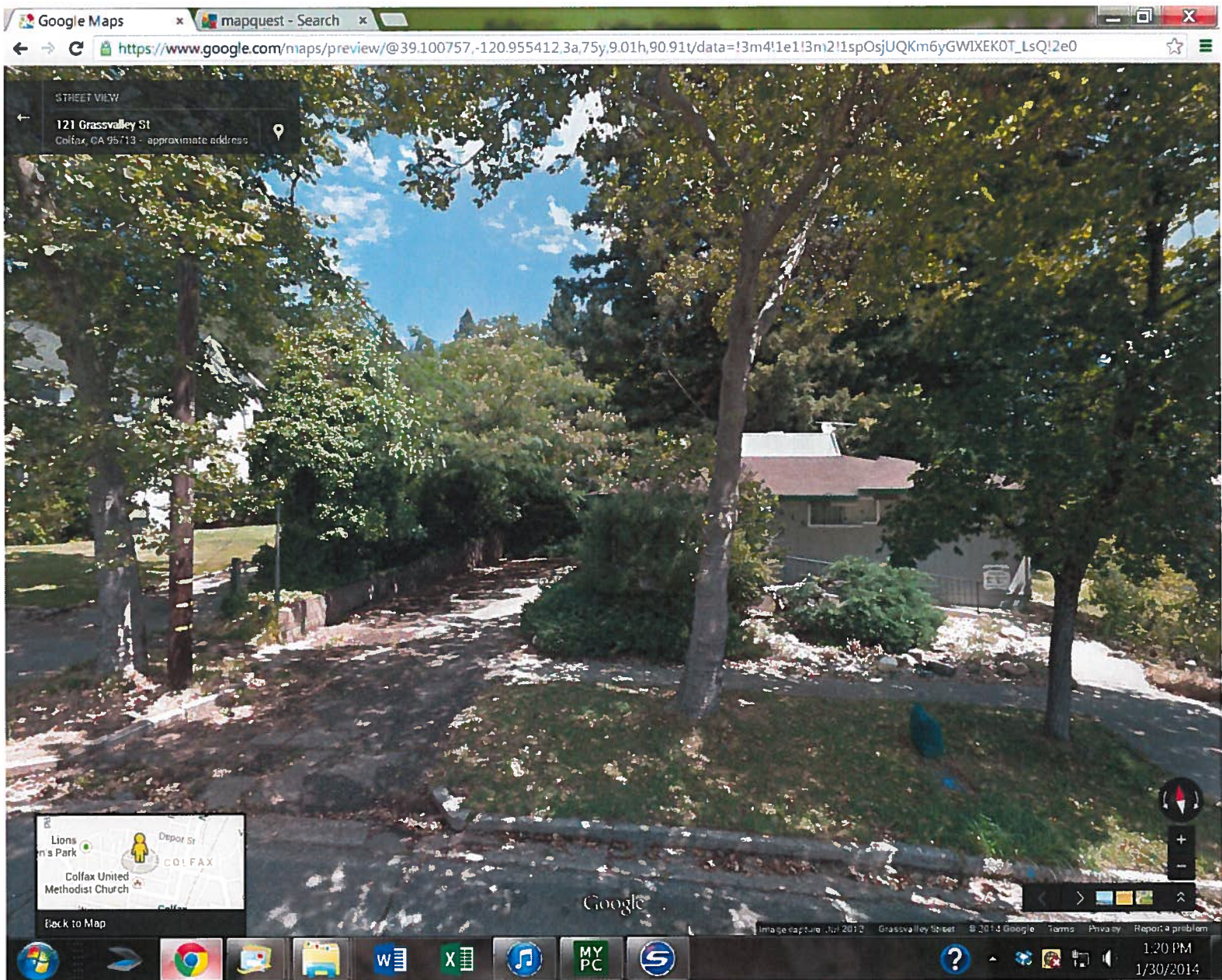
**ATTACHMENTS:**

- 1 - Photographs of site and adjacent uses in neighborhood
- 2 - Notice of Exemption
- 3 - Draft Conditions of Approval
- 4 - Proposed Resolution

**PROJECT LOCATION**

# **Attachment 1**





Project site



To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



residences next door  
West side



To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



residence across the street  
South Side



To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



Vacant residential lot behind  
North Side





To see all the details that are visible on the screen, use the "Print" link next to the map.



office use next door  
East side

## **Attachment 2**

**CITY OF COLFAX  
NOTICE OF EXEMPTION**

**TO:**

Placer County Clerk/Recorder  
2954 Richardson Drive  
Auburn, CA 95603

**FROM:**

City of Colfax  
P.O. Box 702  
Colfax, CA 95713

**PROJECT TITLE:** #CUP-01-14/Douglass Conditional Use Permit

**PROJECT LOCATION:** 121 Grass Valley Street, City of Colfax, Placer County, CA  
APN 006-061-007

**PROJECT DESCRIPTION:** The site is approximately 0.15 acres and is located in the Commercial Retail (CR) zone. The site is bordered by single-family residential to the west and south, a vacant lot to the north, and an office use to the east. The proposed project is the conversion of an existing 1,339 square feet (approximate) office building/use to a single-family residence/use. A single-family residential use in the CR zone requires a conditional use permit according to Title 17 of the City's Municipal Code (Zoning). There are existing sewer and water lines serving the property. There is no garage; however, there is a large asphalt area which will accommodate 2 large vehicles or 3 small cars, and an area in the back which is large enough for 2 cars. As such, the proposed use meets the City's parking requirements. No external modifications to the existing building are proposed with this change in use.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** City of Colfax  
**NAME OF PUBLIC AGENCY CARRYING OUT PROJECT:** City of Colfax

**EXEMPT STATUS:**

- ☐ Ministerial [§21080(b)(1); 15268]
- ☐ Declared Emergency [§21080(b)(3); 15269(a)]
- ☐ Emergency Project [§21080(b)(4); 15269(b)(c)]
- ☒ Categorical Exemption – California Code of Regulations Title 14, Chapter 3 (CEQA Guidelines), Article 19 – Categorical Exemptions, Section 15301 – Existing Facilities and Section 15303 – New Construction or Conversion of Small Structures.

**REASONS WHY PROJECT IS EXEMPT:**

The project involves the (1) permitting of an existing structure with negligible or no expansion of use existing at the time of lead agency's determination (conversion of office building to residential use) [Section 15301]; and (2) the conversion of an existing small structure (office building) to another use (residential) [Section 15303]. Both exemptions are applicable because the changed use anticipates no adverse change or expanded impact on the environment. Based on the foregoing, the proposed ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Sections 15301 and 15303.

**LEAD AGENCY CONTACT PERSON:** Brigit S. Barnes, (916) 660-9555

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: City Land Use Attorney

- ☐ Signed by Lead Agency
- ☐ Signed by Applicant

## **Attachment 3**



**DRAFT CONDITIONS OF APPROVAL****#CUP-01-14/DOUGLASS CONDITIONAL USE PERMIT**

1. The conditional use permit is approved as conditioned below.
2. The conditional use permit is subject to all federal, state, and municipal codes in effect at the time of approval.
3. The permit shall be valid for a period of two (2) years from this date and shall expire on March 26, 2016, unless effectuated by that date. Prior to said expiration date, the applicant may apply for, and the City may grant, an extension of time for up to one year from March 26, 2016.
4. At least two (2) off-street parking spaces shall be provided.
5. The applicant shall be required to replace the asphalt sidewalk in front of the driveway with concrete sidewalk meeting current City and Americans with Disabilities Act (ADA) standards and, to the extent feasible, match the construction of the existing sidewalk to the east and west.
6. The applicant shall be required to replace the broken curb and gutter within the driveway section to meet current City standards.
7. Site improvement construction hours shall be limited to Monday through Friday, 6:00 a.m. to 6:00 p.m. and Saturday, Sundays and observed holidays, 8:00 a.m. to 5:00 p.m.
8. The applicant shall ensure that any site improvements are constructed and completed in accordance with all local, state and federal regulations, including obtaining any other permits that may be required by other governing bodies for this project.
9. Other fees and deposits will be required during the building permit phase for this project, but are not included above, nor are they a part of this application. The fees/deposits for these items will be those in effect at the building permit application or issuance whichever applicable.

10. No certificate of occupancy/final inspection shall be issued until all conditions of approval are completed and approved by the appropriate City official, Department, District or agency.
11. The City's Fee Schedule and terms are incorporated as part of this approval. Applicant is aware that City charges based on actual cost and that outstanding planning application fees, engineering, and building plan check fees must be paid in full within 30 days of receipt of invoices. If the deposit(s) with the City for this project become(s) depleted and there is still work to be done, additional deposits shall be paid prior to any additional work being performed by the City on the project.
12. Indemnification of the City/Attorney's fees for Enforcement.
  - (a) The applicant/developer agrees as a condition of approval/entitlement to defend, indemnify, and hold harmless the City and its agents, officers, employees, consultants, and volunteers from any claim, action, lawsuit or proceeding arising out the City's processing of this application, related permits and approvals and any improvements approved by City. Applicant agrees that City shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest, and that such actions shall not relieve or limit Applicant's obligations to indemnify and reimburse for actual defense costs.
  - (b) In the event the City initiates proceedings against the applicant/developer regarding non-compliance with law or these conditions or any related approvals, the applicant shall reimburse the City for any and all court costs and attorney's fees as a result of any such action. Failure to reimburse the City within 30 days of receipt of invoices or establish a contractual payment schedule may result in the City placing lien against the subdivision property in accordance with the tax assessor's process and procedures or other legal authority; and shall include costs of the lien process.

Approved and agreed to:

\_\_\_\_\_  
Applicant Initials

## **Attachment 4**

# City of Colfax

Resolution No. 05- 2014

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF  
COLFAX APPROVING CONDITIONAL USE PERMIT #CUP-01-14  
(DOUGLASS) TO ALLOW A SINGLE-FAMILY RESIDENTIAL USE IN  
THE RETAIL COMMERCIAL (CR) ZONE**

---

**Whereas**, the City of Colfax received Planning Application #CUP-01-14 for approval of a conditional use permit to allow a single-family residential use in the Retail Commercial (CR) zone for the property located at 121 Grass Valley Street in the City of Colfax (the “Project”); and

**Whereas**, the Project site is bordered by existing single-family residential uses and zoning to the west, existing single family residential uses to the south, and a vacant lot to the north which is zoned multi-family residential and already approved for a 20-lot residential subdivision; and

**Whereas**, two sides of the Project site are located on the boundary line between Retail Commercial (CR) zoning and residential zoning; and

**Whereas**, the City of Colfax, through the Planning Department, conducted an environmental review for the Project pursuant to the California Environmental Quality Act (CEQA) and determined that the Project qualified for an exemption from CEQA and thus prepared a Notice of Exemption for the Project; and

**Whereas**, the City of Colfax Planning Commission (“Commission”) held a duly-noticed public hearing on the Project’s application and environmental document on March 26, 2014; and

**Whereas**, the Commission has reviewed and considered the application, staff report and attachments thereto, the CEQA Notice of Exemption, any and all written comments received during the public review process, and any and all oral or written comments submitted at the public hearing;

**NOW THEREFORE, BE IT RESOLVED** by the Planning Commission of the City of Colfax:

1. That the Commission finds that the Project is exempt from the California Environmental Quality Act and hereby approves the Notice of Exemption for the Project;
2. That the City Clerk is directed to file the Notice of Exemption with the Clerk of the County of Placer for the Project.

3. That the custodian of the documents comprising the record of proceedings is the Department head, or his/her designee, of the City of Colfax Planning Department, whose office is located at 33 S. Main Street, Colfax, CA 95713.

4. That Planning Application #CUP-01-14 for a conditional use permit to allow a single-family residential use in a Retail Commercial (CR) zone is hereby approved subject to the attached Conditions of Approval and the following findings:

**FINDINGS:**

That, based on substantial evidence -

1. The Project, as conditioned, is substantially consistent with the City of Colfax general plan and any applicable specific plan; and
2. The Project, as conditioned, generally conforms with all applicable standards and requirements of this title (Colfax Zoning Ordinance); and
3. The location, size, design and operating characteristics of the Project are generally compatible with and shall not adversely affect or be materially detrimental to the health, safety, or welfare of persons residing or working in the area, or be detrimental or injurious to public or private property or improvements; and
4. The Project, as conditioned, will not interfere with the nature and condition of the adjacent uses and structures; and
5. The site is physically suitable for the Project; and
6. The Project is consistent with the character of the immediate neighborhood.

**Passed and Adopted this 26th day of March, 2014 by the following roll call vote:**

**Ayes:**

**Noes:**

**Absent:**

**Abstain:**

---

**Tony Hesch, Mayor**

**ATTEST:**

---

**Lorraine Cassidy City Clerk**

ITEM 7A



# STAFF REPORT TO THE COLFAX CITY COUNCIL

## FOR THE MARCH 26, 2014 COUNCIL MEETING

**FROM:** Laurie Van Groningen, Finance Director

**PREPARED BY:** Laurie Van Groningen, Finance Director

**DATE:** March 19, 2014

**SUBJECT:** City of Colfax Cash Summary Report: February 28, 2014

<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT:	FROM FUND:
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**RECOMMENDED ACTION:** Approve and File City of Colfax Cash Summary Report: February, 28, 2014.

### SUMMARY:

Staff recommends that the Council accepts and files the Colfax Cash Summary Report: for February 2014.

### FISCAL IMPACT:

No fiscal impact

### BACKGROUND AND ANALYSIS:

These monthly financial reports include a General Fund Unassigned Cash Analysis Graph and the City of Colfax Cash Summary Report (with supporting documentation). The reports are prepared monthly on a cash basis and are reconciled to the General Ledger accounting system, previous reports and bank statements. Detailed budget comparisons are provided as a mid-year report (as presented at February 26, 2014 meeting) and also as part of the proposed budget process each year.

The purpose of the reports is to provide status of funds and transparency for council and the public of the financial transactions of the City.

### CONCLUSION:

The attached reports reflect an overview of the financial transactions of the City of Colfax in February 2014.

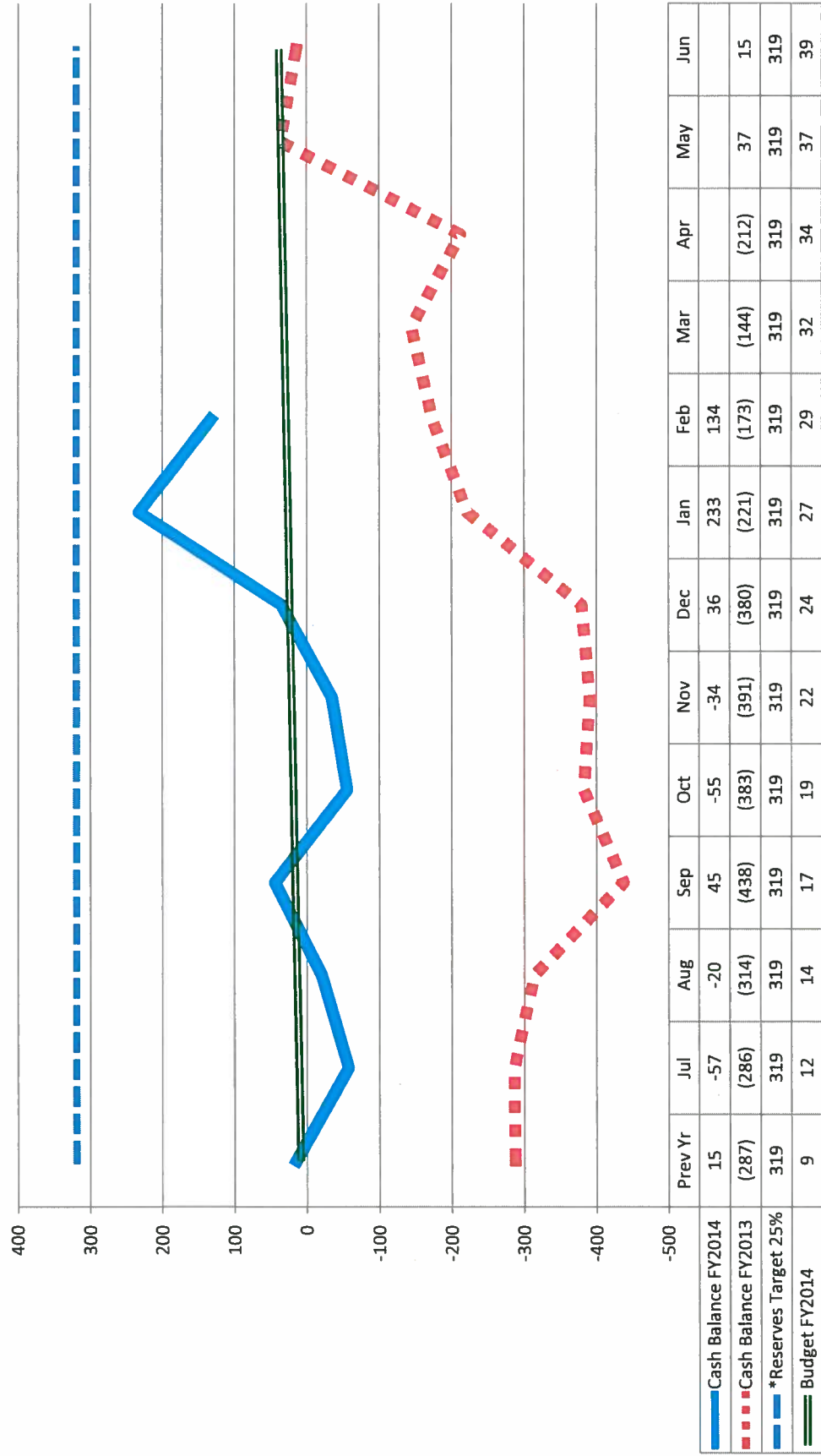
### ATTACHMENTS:

1. General Fund Unassigned Cash Analysis – Graph
2. Cash Summary – February 2014
  - a. Cash Transaction Report – by individual fund
  - b. Check Register Report
  - c. Daily Cash Summary Report

# **Attachment 1**



# City of Colfax - February 2014 General Fund Unassigned Cash Analysis (Dollars in Thousands)



\*This is a recommended General Fund Reserve Target of 25% (3 months) of annual General Fund Revenues.

## **Attachment 2**

**City of Colfax  
Cash Summary  
February 28, 2013**

	Balance 01/31/2014	Debits	Credits	Transfers	Balance 02/28/2014
US Bank	\$ 625,715.24	\$ 239,302.07	\$ (282,881.34)	\$ (450,000.00)	\$ 132,135.97
LAIF	\$ 1,472,424.24	\$ -	\$ -	\$ 450,000.00	\$ 1,922,424.24
LAIF - County Loan	\$ 1,000,000.00	\$ -	\$ -	\$ -	\$ 1,000,000.00
Total Cash - General Ledger	<u>\$ 3,098,139.48</u>	<u>\$ 239,302.07</u>	<u>\$ (282,881.34)</u>	<u>\$ -</u>	<u>\$ 3,054,560.21</u>
Petty Cash (In Safe)	\$ 300.00				\$ 300.00
Total Cash	<u>\$ 3,098,439.48</u>	<u>\$ 239,302.07</u>	<u>\$ (282,881.34)</u>	<u>\$ -</u>	<u>\$ 3,054,860.21</u>

**Change in Cash Account Balance - Total** \$ (43,579.27)

**Attached Reports:**

1. Cash Transactions Report (By Individual Fund)	
2. Check Register Report (Accounts Payable)	\$ (236,863.34)
3. Cash Receipts - Daily Cash Summary Report	\$ 151,932.71
Payroll Checks and Tax Deposits	\$ (44,839.08)
Utility Billings - Receipts	\$ 86,190.44
	\$ -
	<u><u>\$ (43,579.27)</u></u> \$ -

Prepared by: Laurie Van Groningen 3/12/14  
Laurie Van Groningen, Finance Director

Reviewed by: Mark Miller  
Mark Miller, City Manager

## Cash Transactions Report - February 2014

	Beginning Balance	Debit Revenues	Credit (Expenditures)	Ending Balance
<b>Fund Type: 1.11 - General Fund - Unassigned</b>				
Fund: 100 - General Fund	\$ 551,549.42	\$ 63,547.85	\$ (174,873.52)	\$ 440,223.75
Fund: 120 - Land Development Fees	\$ 16,374.58	\$ 7,814.56	\$ (6,239.30)	\$ 17,949.84
Fund: 570 - Garbage Fund	\$ (335,034.51)	\$ 10,750.00	\$ -	\$ (324,284.51)
<b>Fund Type: 1.11 - General Fund - Unassigned</b>	<b>\$ 232,889.49</b>	<b>\$ 82,112.41</b>	<b>\$ (181,112.82)</b>	<b>\$ 133,889.08</b>
<b>Fund Type: 1.14 - General Fund - Restricted</b>				
Fund: 571 - AB939 Landfill Diversion	\$ 30,767.26	\$ -	\$ -	\$ 30,767.26
Fund: 572 - Landfill Post Closure Maintenance	\$ 751,336.12	\$ -	\$ (3,754.71)	\$ 747,581.41
<b>Fund Type: 1.14 - General Fund - Restricted</b>	<b>\$ 782,103.38</b>	<b>\$ -</b>	<b>\$ (3,754.71)</b>	<b>\$ 778,348.67</b>
<b>Fund Type: 1.24 - Special Rev Funds - Restricted</b>				
Fund: 210 - Mitigation Fees - Roads	\$ 8,419.38	\$ -	\$ -	\$ 8,419.38
Fund: 211 - Mitigation Fees - Drainage	\$ 2,979.41	\$ -	\$ -	\$ 2,979.41
Fund: 212 - Mitigation Fees - Trails	\$ 45,678.07	\$ -	\$ -	\$ 45,678.07
Fund: 213 - Mitigation Fees - Parks/Rec	\$ 91,673.70	\$ -	\$ -	\$ 91,673.70
Fund: 214 - Mitigation Fees - City Bldgs	\$ 444.99	\$ -	\$ -	\$ 444.99
Fund: 215 - Mitigation Fees - Vehicles	\$ 230.52	\$ -	\$ -	\$ 230.52
Fund: 217 - Mitigation Fees - DT Parking	\$ 26,017.34	\$ -	\$ -	\$ 26,017.34
Fund: 218 - Support Law Enforcement	\$ (16,926.61)	\$ 10,468.25	\$ -	\$ (6,458.36)
Fund: 236 - CDBG Revitalization Zone	\$ (4,543.13)	\$ -	\$ -	\$ (4,543.13)
Fund: 241 - CDBG Housing Rehabilitation	\$ 94,128.41	\$ -	\$ -	\$ 94,128.41
Fund: 244 - CDBG MicroEnterprise Lending	\$ 114,492.45	\$ 300.00	\$ -	\$ 114,792.45
Fund: 250 - Streets - Roads/Transportation	\$ (79,702.01)	\$ 52,888.50	\$ (9,304.63)	\$ (36,118.14)
Fund: 253 - Gas Taxes	\$ 65,360.75	\$ -	\$ (1,387.68)	\$ 63,973.07
Fund: 270 - Beverage Container Recycling	\$ 28,752.67	\$ -	\$ (245.45)	\$ 28,507.22
Fund: 280 - Oil Recycling	\$ (160.10)	\$ -	\$ (127.83)	\$ (287.93)
Fund: 286 - Bricks	\$ 5,228.16	\$ -	\$ -	\$ 5,228.16
Fund: 292 - Fire Department Capital Funds	\$ 27,146.80	\$ -	\$ -	\$ 27,146.80
<b>Fund Type: 1.24 - Special Rev Funds - Restrict</b>	<b>\$ 409,220.80</b>	<b>\$ 63,656.75</b>	<b>\$ (11,065.59)</b>	<b>\$ 461,811.96</b>
<b>Fund Type: 1.34 - Capital Projects - Restricted</b>				
Fund: 344 - PROP 40 Capital Projects	\$ -	\$ -	\$ -	\$ -
Fund: 350 - Street Improvement Projects	\$ 204,202.66	\$ -	\$ (2,182.50)	\$ 202,020.16
<b>Fund Type: 1.34 - Capital Projects - Restricted</b>	<b>\$ 204,202.66</b>	<b>\$ -</b>	<b>\$ (2,182.50)</b>	<b>\$ 202,020.16</b>
<b>Fund Type: 2.11 - Enterprise Funds - Unassigned</b>				
Fund: 560 - Sewer	\$ 269,639.43	\$ 53,275.98	\$ (74,477.76)	\$ 248,437.65
Fund: 561 - Sewer Liftstations	\$ 404,990.97	\$ 12,333.26	\$ (10,226.00)	\$ 407,098.23
Fund: 563 - Wastewater Treatment Plant	\$ 843,437.50	\$ 23,697.90	\$ (61.96)	\$ 867,073.44
Fund: 565 - General Obligation Bond 1978	\$ 24,836.64	\$ 18.39	\$ -	\$ 24,855.03
Fund: 567 - Inflow & Infiltration	\$ 549,843.38	\$ 307.38	\$ -	\$ 550,150.76
<b>Fund Type: 2.11 - Enterprise Funds - Unassign</b>	<b>\$ 2,092,747.92</b>	<b>\$ 89,632.91</b>	<b>\$ (84,765.72)</b>	<b>\$ 2,097,615.11</b>
<b>Fund Type: 2.14 - Enterprise Funds - Restricted</b>				
Fund: 569 - Pond 3 Lining- I&I Repair	\$ (623,024.77)	\$ 3,900.00	\$ -	\$ (619,124.77)
<b>Fund Type: 2.14 - Enterprise Funds - Restrict</b>	<b>\$ (623,024.77)</b>	<b>\$ 3,900.00</b>	<b>\$ -</b>	<b>\$ (619,124.77)</b>
<b>Fund Type: 9.0 - CLEARING ACCOUNT</b>				
Fund: 998 - PAYROLL CLEARING FUND	\$ -	\$ -	\$ -	\$ -
<b>Fund Type: 9.0 - CLEARING ACCOUNT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Totals:</b>	<b>\$ 3,098,139.48</b>	<b>\$ 239,302.07</b>	<b>\$ (282,881.34)</b>	<b>\$ 3,054,560.21</b>

## Check Register Report

ITEM 7A

AP Checks Processed - Feb 2014

Date: 7 of 11  
03/12/2014

Time: 2:18 pm

Page: 1

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>US BANK Checks</b>							
49728	02/07/2014	Reconciled		01500	ANDERSON'S SIERRA	WWTP SUPPLIES	431.00
49729	02/07/2014	Reconciled		01790	AUBURN OFFICE PRODUCTS	SUPPLIES	352.41
49730	02/07/2014	Reconciled		03493	COASTLAND CIVIL ENGINEERING	PLAN REVIEW TACO BELL (2)	1,401.00
49731	02/07/2014	Reconciled		08501	HOME DEPOT CREDIT SERVICES	SUPPLIES, SAW FOR SHOP	127.93
49732	02/07/2014	Reconciled		09455	INLAND BUSINESS SYSTEMS	COPY MACHINE COPY CHARGES	125.69
49733	02/07/2014	Reconciled		06011	PELLETREAU, ALDERSON & CABRAL	LEGAL FEES JAN '14	5,269.23
49734	02/07/2014	Reconciled		16035	PG&E	UTILITIES JAN '14	10,071.45
49735	02/07/2014	Reconciled		16166	PLACER COUNTY BOARD OF	CITY COUNTY DINNER	125.00
49736	02/07/2014	Reconciled		19279	SERVICE ENGINEERING	LIFT STATION #2 MAINTENANCE	1,023.75
49737	02/07/2014	Reconciled		19390	SIERRA MARKET	SUPPLIES	21.39
49738	02/07/2014	Reconciled		16600	STATIONARY ENGINEERS, LOCAL 39	HEALTH INSURANCE MAR '14	9,250.00
49739	02/07/2014	Reconciled		19794	VALENTINA SUTTON	NNA NOTARY SEMINAR MILEAGE	45.00
49740	02/07/2014	Reconciled		22106	VAN GRONINGEN & ASSOCIATES	FINANCE CONSULTING JAN '14	6,597.50
49741	02/07/2014	Reconciled		22115	VERIZON CALIFORNIA	PHONE WWTP	196.05
49742	02/07/2014	Reconciled		23450	WINNER CHEVROLET, INC.	TAX SHARE Q 3&4 2013	132,243.00
49743	02/12/2014	Reconciled		01414	ALHAMBRA & SIERRA SPRINGS	WATER CITY HALL/CORP YARD/WWTP	120.16
49744	02/12/2014	Reconciled		01448	AMERIGAS - COLFAX	PROPANE DEPOT	1,098.14
49745	02/12/2014	Reconciled		02843	BOUTRY'S ENGINE SHOP	MOTOR SHAFT SLEEVE	300.00
49746	02/12/2014	Reconciled		02084	BRIGIT S. BARNES & ASSOCIATES	PLANNING SERVICES JAN '14	7,932.16
49747	02/12/2014	Reconciled		03650	CRANMER ENGINEERING, INC.	WWTP TESTING	580.00
49748	02/12/2014	Reconciled		04234	DE LANG LANDEN	COPY MACHINE CONTRACT	170.93
49749	02/12/2014	Reconciled		04400	DIAMOND WELL DRILLING CO.	WWTP MONITORING DEC '13	2,406.00
49750	02/12/2014	Reconciled		07465	GOLD MINER PEST CONTROL	PEST CONTROL WWTP	210.00
49751	02/12/2014	Reconciled		08070	HANSEN BROS. ENTERPRISES	BARK, LIONS PARK	1,215.84
49752	02/12/2014	Reconciled		08170	HILLS FLAT LUMBER CO	SUPPLIES	1,131.14
49753	02/12/2014	Reconciled		12180	LAWRENCE & ASSOCIATES INC	LANDFILL MONITORING DEC '13	1,449.50
49754	02/12/2014	Reconciled		16009	SEAN PATRICK	WWTP CONSULTANT JAN '14	986.25
49755	02/12/2014	Reconciled		16162	PLACER COUNTY CLERK-RECORDER	FILING FEE, NOTICE OF	50.00
49756	02/12/2014	Reconciled		18193	RECOLOGY AUBURN PLACER	TAX ROLLS 55% FY13/14	5,164.93
49757	02/12/2014	Reconciled		20000	TACO BILL	PLAN CHECK DEPOSIT REFUND	200.00
49758	02/12/2014	Reconciled		21560	US BANK CORPORATE PMT SYSTEM	SUPPLIES	2,332.97
49759	02/12/2014	Reconciled		03133	WATER POLLUTION CONTROL SERV	WWTP OPERATIONS JAN '14	7,182.38
49760	02/12/2014	Reconciled		23169	WAVE BUSINESS SOLUTIONS	INTERNET HESCH	271.64
49761	02/12/2014	Reconciled		23301	WESTERN PLACER WASTE	SLUDGE REMOVAL JAN '14	1,012.43
49762	02/19/2014	Reconciled		01460	AMERIPRIDE UNIFORM SERVICE	UNIFORMS & SUPPLIES	492.79
49763	02/19/2014	Reconciled		01766	AT&T MOBILITY	CELL PHONES JAN '14	371.14
49764	02/19/2014	Reconciled		03164	CASH- PETTY CASH REIMBURSEMENT	PETTY CASH REIMBURSEMENT	84.10
49765	02/19/2014	Reconciled		06109	ROBIN FAIRES	MILEAGE REIMBURSEMENT	33.84
49766	02/19/2014	Reconciled		06424	FLETCHER'S PLUMBING AND	WWTP LIFT STATION WORK	5,537.50
49767	02/19/2014	Reconciled		07200	GENERAL PLUMBING SUPPLY	RAS PUMP & PARTS	1,058.52
49768	02/19/2014	Reconciled		07460	GOLD COUNTRY MEDIA	PUBLIC NOTICE HOUSING ELEMENT	289.80
49769	02/19/2014	Reconciled		08050	HACH COMPANY	WWTP SUPPLIES	181.45
49770	02/19/2014	Reconciled		08159	HILL BROTHERS CHEMICAL CO.	WWTP CHEMICALS	1,214.62
49771	02/19/2014	Reconciled		08660	HUNT AND SONS, INC.	GASOLINE PUBLIC WORKS	453.86
49772	02/19/2014	Reconciled		09455	INLAND BUSINESS SYSTEMS	COPY MACHINE TONER	20.00
49773	02/19/2014	Printed		13405	MOTOR ELECTRIC	PUMP FIX	766.12
49774	02/19/2014	Reconciled		16040	PITNEY BOWES	POSTAGE	1,057.68
49775	02/19/2014	Reconciled		17020	QUICK RESPONSE SEPTIC &	LIFT STATION #2 TRUCK TIME	500.00
49776	02/19/2014	Reconciled		18080	RAIN FOR RENT	LIFT STATION #2 REPAIR	1,101.17
49777	02/19/2014	Reconciled		18400	RIEBES AUTO PARTS	SUPPLIES JAN '14	234.30
49778	02/19/2014	Reconciled		18590	ROTO-ROOTER	MINOR HYDRO JET SEWER LINE	325.00

## Check Register Report

ITEM 7A

AP Checks Processed - Feb 2014

Date: 8 of 11  
03/12/2014

Time: 2:18 pm

Page: 2

CITY OF COLFAX

BANK: US BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>US BANK Checks</b>							
49779	02/19/2014	Reconciled		19650	STATE BOARD OF EQUALIZATION	SALES TAX 2013	447.00
49780	02/19/2014	Reconciled		23101	LARRY WALKER	NPDES JAN '14	2,996.25
49781	02/19/2014	Reconciled		23169	WAVE BUSINESS SOLUTIONS	INTERNET CORP YARD	230.90
49782	02/27/2014	Printed		01448	AMERIGAS - COLFAX	PROPANE CORP YARD	220.18
49783	02/27/2014	Printed		06730	COLFAX FARM AND COUNTRY STORE	PROPANE	103.94
49784	02/27/2014	Reconciled		04575	DOWNEY BRAND, LLP	LEGAL FEES SETTLEMENT AGRMNT	1,344.80
49785	02/27/2014	Printed		08050	HACH COMPANY	COVERSLIP, MICROSCOPE SLIDE	21.23
49786	02/27/2014	Printed		08660	HUNT AND SONS, INC.	GASOLINE PUBLIC WORKS	710.57
49787	02/27/2014	Printed		11084	KMD AWARDS OF COLFAX	NAME PLATES FOR DIAS	9.68
49788	02/27/2014	Printed		13562	MUNITEMPS	INTERIM CITY CLERK SERVICES	948.00
49789	02/27/2014	Printed		16200W	PLACER COUNTY SHERIFFS DEPT.	PHONE PCSO JAN '14	147.38
49790	02/27/2014	Printed		16727	PONTICELLO ENTERPRISES	ENGINEERING JAN '14	13,631.25
49791	02/27/2014	Printed		18193	RECOLOGY AUBURN PLACER	WWTP DEBRIS BOX RENTAL JAN '14	1,150.00
49792	02/27/2014	Printed		23169	WAVE BUSINESS SOLUTIONS	PHONE DEPOT	85.40

Total Checks: 65

Checks Total (excluding void checks): 236,863.34

Total Payments: 65

Bank Total (excluding void checks): 236,863.34

Total Payments: 65

Grand Total (excluding void checks): 236,863.34

## DAILY CASH SUMMARY REPORT

02/01/2014 - 02/28/2014

3/12/2014

4:03 pm

City of Colfax

MJE No.	Line	Posting Date	Type	GL Number	Debit	Credit	Net Chng	
Fund: 100 - General Fund								
83513	2	02/06/2014	CR	100-000-1000	100.00	0.00	100.00	
83514	2	02/06/2014	CR	100-000-1000	90.00	0.00	90.00	
83515	2	02/06/2014	CR	100-000-1000	61.00	0.00	61.00	
83516	2	02/06/2014	CR	100-000-1000	56.00	0.00	56.00	
83517	2	02/06/2014	CR	100-000-1000	200.00	0.00	200.00	
83524	2	02/06/2014	CR	100-000-1000	2,528.85	0.00	2,528.85	
83525	2	02/06/2014	CR	100-000-1000	1,000.00	0.00	1,000.00	
83526	2	02/06/2014	CR	100-000-1000	1,708.00	0.00	1,708.00	
83527	2	02/06/2014	CR	100-000-1000	255.97	0.00	255.97	
02/06/2014 Daily Totals					5,999.82	0.00	5,999.82	
83529	2	02/13/2014	CR	100-000-1000	60.00	0.00	60.00	
83530	2	02/13/2014	CR	100-000-1000	61.00	0.00	61.00	
83531	2	02/13/2014	CR	100-000-1000	674.00	0.00	674.00	
83532	2	02/13/2014	CR	100-000-1000	60.00	0.00	60.00	
83533	2	02/13/2014	CR	100-000-1000	100.00	0.00	100.00	
83534	2	02/13/2014	CR	100-000-1000	153.45	0.00	153.45	
83551	2	02/13/2014	CR	100-000-1000	38.50	0.00	38.50	
02/13/2014 Daily Totals					1,146.95	0.00	1,146.95	
83550	2	02/14/2014	CR	100-000-1000	0.00	81.35	-81.35	
02/14/2014 Daily Totals					0.00	81.35	-81.35	
83512	2	02/19/2014	CR	100-000-1000	51,000.00	0.00	51,000.00	
02/19/2014 Daily Totals					51,000.00	0.00	51,000.00	
83552	2	02/20/2014	CR	100-000-1000	10.00	0.00	10.00	
02/20/2014 Daily Totals					10.00	0.00	10.00	
83549	2	02/21/2014	CR	100-000-1000	2,760.40	0.00	2,760.40	
02/21/2014 Daily Totals					2,760.40	0.00	2,760.40	
83536	2	02/27/2014	CR	100-000-1000	100.99	0.00	100.99	
83537	2	02/27/2014	CR	100-000-1000	175.00	0.00	175.00	
83539	2	02/27/2014	CR	100-000-1000	150.00	0.00	150.00	
83540	2	02/27/2014	CR	100-000-1000	1,258.29	0.00	1,258.29	
83541	2	02/27/2014	CR	100-000-1000	356.40	0.00	356.40	
83542	2	02/27/2014	CR	100-000-1000	90.00	0.00	90.00	
83543	2	02/27/2014	CR	100-000-1000	200.00	0.00	200.00	
83547	2	02/27/2014	CR	100-000-1000	100.00	0.00	100.00	
83548	2	02/27/2014	CR	100-000-1000	200.00	0.00	200.00	
02/27/2014 Daily Totals					2,630.68	0.00	2,630.68	
Fund: 100 - General Fund					TOTALS:	63,547.85	81.35	63,466.50
Fund: 120 - Land Development Fees								
83518	2	02/06/2014	CR	120-000-1000	175.86	0.00	175.86	
83519	2	02/06/2014	CR	120-000-1000	985.80	0.00	985.80	



# DAILY CASH SUMMARY REPORT

**ITEM 7A**

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02/01/2014 - 02/28/2014

City of Colfax

MJE No.	Line	Posting Date	Type	GL Number	Debit	Credit	Net Chng	
83520	2	02/06/2014	CR	120-000-1000	652.90	0.00	652.90	
02/06/2014 Daily Totals					1,814.56	0.00	1,814.56	
83528	2	02/13/2014	CR	120-000-1000	5,000.00	0.00	5,000.00	
83535	2	02/13/2014	CR	120-000-1000	1,000.00	0.00	1,000.00	
02/13/2014 Daily Totals					6,000.00	0.00	6,000.00	
Fund: 120 - Land Development Fees					TOTALS:	7,814.56	0.00	7,814.56
Fund: 218 - Support Law Enforcement								
83549	6	02/21/2014	CR	218-000-1000	10,468.25	0.00	10,468.25	
02/21/2014 Daily Totals					10,468.25	0.00	10,468.25	
Fund: 218 - Support Law Enforcement					TOTALS:	10,468.25	0.00	10,468.25
Fund: 244 - CDBG MicroEnterprise Lending								
83538	2	02/27/2014	CR	244-000-1000	300.00	0.00	300.00	
02/27/2014 Daily Totals					300.00	0.00	300.00	
Fund: 244 - CDBG MicroEnterprise Lending					TOTALS:	300.00	0.00	300.00
Fund: 250 - Streets - Roads/Transportation								
83522	2	02/06/2014	CR	250-000-1000	45,978.50	0.00	45,978.50	
02/06/2014 Daily Totals					45,978.50	0.00	45,978.50	
83544	2	02/27/2014	CR	250-000-1000	24.00	0.00	24.00	
83546	2	02/27/2014	CR	250-000-1000	6,886.00	0.00	6,886.00	
02/27/2014 Daily Totals					6,910.00	0.00	6,910.00	
Fund: 250 - Streets - Roads/Transportation					TOTALS:	52,888.50	0.00	52,888.50
Fund: 560 - Sewer								
83553	2	02/05/2014	CR	560-000-1000	200.00	0.00	200.00	
02/05/2014 Daily Totals					200.00	0.00	200.00	
83521	4	02/06/2014	CR	560-000-1000	0.00	873.49	-873.49	
02/06/2014 Daily Totals					0.00	873.49	-873.49	
Fund: 560 - Sewer					TOTALS:	200.00	873.49	-673.49
Fund: 561 - Sewer Liftstations								

Limited to include: JE Types of: CR



## DAILY CASH SUMMARY REPORT

ITEM 7A

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3/12/2014

4:03 pm

02/01/2014 - 02/28/2014

City of Colfax

MJE No.	Line	Posting Date	Type	GL Number	Debit	Credit	Net Chng	
83545	2	02/27/2014	CR	561-000-1000	3,000.00	0.00	3,000.00	
02/27/2014		Daily Totals			3,000.00	0.00	3,000.00	
Fund: 561 - Sewer Liftstations					TOTALS:	3,000.00	0.00	3,000.00
Fund: 565 - General Obligation Bond 1978								
83549	8	02/21/2014	CR	565-000-1000	18.39	0.00	18.39	
02/21/2014		Daily Totals			18.39	0.00	18.39	
Fund: 565 - General Obligation Bond 1978					TOTALS:	18.39	0.00	18.39
Fund: 569 - Pond 3 Lining- I&I Repair								
83521	2	02/06/2014	CR	569-000-1000	3,900.00	0.00	3,900.00	
02/06/2014		Daily Totals			3,900.00	0.00	3,900.00	
Fund: 569 - Pond 3 Lining- I&I Repair					TOTALS:	3,900.00	0.00	3,900.00
Fund: 570 - Garbage Fund								
83523	2	02/06/2014	CR	570-000-1000	10,750.00	0.00	10,750.00	
02/06/2014		Daily Totals			10,750.00	0.00	10,750.00	
Fund: 570 - Garbage Fund					TOTALS:	10,750.00	0.00	10,750.00
GRAND TOTALS:					152,887.55	954.84	151,932.71	

ITEM 7B



# STAFF REPORT TO THE COLFAX CITY COUNCIL

FOR THE MARCH 26, 2014 COUNCIL MEETING

**FROM:** Mark Miller, City Manager  
**DATE:** March 26, 2014  
**SUBJECT:** Approval of Contract with Placer County Transportation Planning Agency for Grant Funded Sidewalk Installation and Accessibility Project on E. Oak Street

<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	FUNDED	<input type="checkbox"/>	UN-FUNDED	AMOUNT: \$ 71,321	Fund 250 Streets- Roads/Transportation Revenue (Restricted, PTMISEA grant funds)
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**RECOMMENDED ACTION:** Staff recommends City Council adopt Resolution No. 06-2014, authorizing the City Manager to Execute a contract with Placer County Transportation Planning Agency for Grant Funding for Sidewalk Installation and Accessibility Project on E. Oak Street.

## **ISSUE STATEMENT AND DISCUSSION:**

Placer County Transportation Planning Agency (PCTPA) recently advised City Staff that remaining State Proposition 1B – Public Transit Modernization Improvement Service Efficiency Account (PTMISEA) Funds, were available. These funds are restricted to community bus, transit center and rail station enhancement type projects. Fortunately, Colfax has an active transit center/rail station that qualifies. Based on funding criteria, staff determined improved pedestrian and disabled accessibility improvements on E. Oak Street, leading to Railroad Street and the Colfax transit center/rail station, would be the most likely project to apply. Staff submitted a preliminary project design to PCTPA staff, which was positively received. Pending approval of the PCTPA Board of Directors, \$71,321 will pass through to the City of Colfax for the Pedestrian and ADA Improvements. A Funding Agreement is needed with PCTPA and Colfax to pass through the PTMISEA funds. Staff recommends City Council approval of the grant to be able take advantage of this funding opportunity, and authorize the City Manager to execute the contract, a copy of which is attached.

## **FINANCIAL AND/OR POLICY IMPLICATIONS:**

The grant proposed is funded through State Proposition 1B bond revenue – Public Transit Modernization Improvement Service Efficiency Account (PTMISEA) Funds. The funds are administered by PCTPA. City of Colfax staff will work closely with PCTPA staff to ensure the smooth flow of the funds, completion of the project, and that funding requirements are met. Colfax staff time will be contributed for management and inspection of the project.

## **RECOMMENDATION:**

Staff recommends City Council adopt Resolution No. 06-2014, authorizing the City Manager to execute a contract with Placer County Transportation Planning Agency for Grant Funding for the Sidewalk Installation and Accessibility Project on E. Oak Street.

## **SUPPORTING DOCUMENTS:**

Resolution No. 06-2014, Authorizing The City Manager To Execute A Contract With Placer County Transportation Planning Agency; Draft contract with Placer County Transportation Planning

# **Attachment 1**



March 26, 2014

Mark Miller, City Manager  
City of Colfax  
P.O. Box 702  
Colfax, CA 95713

KEITH NESBITT  
City of Auburn  
TONY HESCH  
City of Colfax  
STAN NADER  
City of Lincoln  
MIGUEL UCOVICH  
Town of Loomis  
DIANA RUSLIN  
City of Rocklin  
SUSAN ROHAN  
City of Roseville  
JIM HOLMES  
KIRK UHLER  
Placer County  
RON TREABESS  
Citizen Representative  
CELIA McADAM  
Executive Director

**SUBJECT: FUNDING AGREEMENT 14-02 BETWEEN THE CITY OF COLFAX AND THE WESTERN PLACER CONSOLIDATED TRANSPORTATION SERVICES AGENCY FOR PEDESTRIAN AND ADA IMPROVEMENTS TO COLFAX TRANSIT CENTER PROJECT**

Dear Mr. Miller:

This letter, when countersigned, authorizes funding by the Western Placer Consolidated Transportation Services Agency (WPCTSA) for work to be performed by the City of Colfax for the Pedestrian and ADA Improvements to Colfax Transit Center Project.

1. **Funding Agreement:** This Funding Agreement is the statement of contract specific requirements applicable to the work effort to be undertaken by the City of Colfax for the Pedestrian and ADA Improvements to Colfax Transit Center Project. The Pedestrian and ADA Improvements to Colfax Transit Center Project will be funded under the Public Transit Modernization Improvement Service Enhancement Account (PTMISEA) included in Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act, approved by California voters in November 2006. The Western Placer Consolidated Transportation Services Community Transit Enhancement Project Public Transit Modernization Improvement Service Enhancement Account grant application for FY 2010/11 is incorporated by reference in this Funding Agreement.
2. **Term:** City is to commence work immediately and shall be completed no later than December 31, 2014, according to the project schedule provided in Exhibit A: Western Placer Consolidated Transportation Services Agency PTMISEA FY 2010/11 Pedestrian and ADA Improvements to Colfax Transit Center Project.
3. **Scope of Services:** City will perform the tasks to manage and construct the Western Placer Consolidated Transportation Services Agency PTMISEA FY

City of Colfax Funding Agreement 14-02  
 March 26, 2014  
 Page 2

2010/11 Pedestrian and ADA Improvements to Colfax Transit Center Project as provided in Exhibit A.

4. **Personnel:** City will provide its own personnel to perform the work specified in Exhibit A: Western Placer Consolidated Transportation Services Agency PTMISEA FY 2010/11 Pedestrian and ADA Improvements to Colfax Transit Center Project. City will also provide administrative support, management, and overhead expenses.
5. **Compensation:** For services rendered, the City of Colfax will receive a sum not to exceed the amount of \$71,321 (plus any accrued interest) identified in Exhibit A: Western Placer Consolidated Transportation Services Agency PTMISEA FY 2010/11 Pedestrian and ADA Improvements to Colfax Transit Center Project. Upon completion of the project, the City of Colfax shall submit one invoice for reimbursement. The invoice for payment shall reference the work completed and the hours and cost associated with each task.

If this Funding Agreement meets with your approval, please sign and return one copy. You may retain a copy for your own records. Questions concerning this Funding Agreement should be directed to David Melko of my staff at (530) 823-4090.

\_\_\_\_\_  
 Celia McAdam, Executive Director      Date  
 Western Placer Consolidated Transportation  
 Services Agency

\_\_\_\_\_  
 Mark Miller, City Manager      Date  
 City of Colfax

Exhibit A:      Western Placer Consolidated Transportation Services Agency PTMISEA FY  
                          2010/11 Pedestrian and ADA Improvements to Colfax Transit Center Project

c:    Will Garner, Placer County  
       David Melko, PCTPA

## **Attachment 2**

# City of Colfax

Resolution No. 06-2014

## **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLFAX AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH PLACER COUNTY TRANSPORTATION PLANNING AGENCY**

1. Placer County Transportation Planning Agency (PCTPA) recently advised City Staff that remaining State Proposition 1B – Public Transit Modernization Improvement Service Efficiency Account (PTMISEA) Funds, were available.
2. These funds are restricted to community bus, transit center and rail station enhancement type projects.
3. Colfax has an active transit center/rail station that qualifies.
4. Pending approval of the PCTPA Board of Directors, \$71,321 will pass through to the City of Colfax for the Pedestrian and ADA Improvements.
5. A Funding Agreement is needed with PCTPA and Colfax to pass through the PTMISEA funds.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Colfax, the governing agency for the City of Colfax, does hereby authorize the City Manager to execute a contract and related grant documents with the Placer County Transportation Planning Agency.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Colfax held on the 26<sup>th</sup> day of March, 2014 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

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**Tony Hesch, Mayor**

ATTEST:

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Lorraine Cassidy, City Clerk